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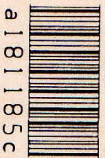
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THE LIBRARY ECONOMIC AND SOCIAL ISSUES

Southwest Texas State University

The National Economics, Texas

The government's restrictive economic policies, tight money and the highest interest rates since the 1860s are slowing the pace of economic activities, sharply reducing home-building and boosting unemployment—in the name of fighting inflation.

Present trends point to a continuing rise of unemployment and a threatened collapse of residential construction. There is a growing danger of recession.

By the early months of 1969, the government's restrictive tax, expenditure and monetary policies were slowing the rate of economic expansion. But additional measures, during the following months, squeezed the economy, with particular pressure on residential construction.

The prime interest rate that the commercial banks charge on loans to their blue chip customers—the rate on which other interest rates are scaled—was raised to an unprecedented 8½% in June, bringing this basic price of money up 31% in a year, the highest price increase of all. Soaring interest rates raised the cost-of-living, boosting prices from the farmer and manufacturer to the retailer and consumer—sharply hiking the price of homes, mortgage payments and rents.

Home-builders postponed construction, as most people were priced out of the market for homes and new apartments and as builders' loan costs and mortgage rates shot up. Rising interest rates compelled local and state governments to put off some of their planned building of public facilities. Many small-and medium-sized businesses postponed expansion plans.

On top of these policies and developments, the Administration's requested appropriations for vital social programs, such as education and anti-pollution, have been cut substantially below Congressional authorizations. Moreover, the Administration announced a 75% cutback of planned federal construction and requested the states and local governments to curtail their building plans, as well.

The squeeze on the economy has had the expected dampening effect on sales, production and employment.

- The real volume of total national production increased at a yearly rate of only 2% in the second quarter of 1969—down from nearly 5% in 1968.

- Housing starts dropped 28% from a yearly rate of 1.8 million in January to a rate of 1.3 million in August and were heading down.

- Retail sales in the June-August period were up only 2.4% from the same months of 1968—less than the increase in retail prices, indicating some decline in the physical volume of consumer-goods sales.

- Unemployment rose 222,000 between January and August and was heading up, while the number of workers compelled to work part-time, because full-time work was not available increased 396,000.

- The rise in unemployment was greatest among construction workers and Negroes—among workers in home-building, which was hit first and hardest, and among the least skilled, most vulnerable Negro workers. Moreover, the rise in unemployment and under-employment was spreading to other parts of the economy.

The squeeze on the economy has been growing tighter with adverse impacts on workers, consumers, small business and farmers—in the name of an anti-inflation program—yet prices have continued to increase, despite the setback and threatened reversal of the economic gains of the 1960s. The cost-of-living, in recent months, was up 5½% from a year ago, washing out all or most of the buying power of workers' wage gains of the past year.

Moreover, the Administration's policies have been hardly effective in combating the only inflationary demand pressure in the economy—sharply rising business investment in plant and equipment, which increased at a yearly rate of about 11½% in the July-September quarter. A 10%-12% increase in such investment outlays is expected in 1969, despite the highest interest rates in 100 years and the fact that industry is operating only 84% of its present productive capacity.

Tight-money and high interest rates have had little, if any, effect on the investment boom of the big companies—with their own large reserves and their lines of credit at the major banks where they pay the lowest available interest rates. Generally, restrictive policies affect the big corporations only after the incomes and demand of other economic groups are so depressed that the sales of the blue chip grants are curbed. This blunderbuss policy can finally curtail the investment boom by pulling down the house, with large-scale unemployment.

The one-sector capital goods boom rests essentially on the skyrocketing flow of cash to the corporations—the profit inflation of the 1960s—while improvements in wages and salaries lagged far behind. The unfair distribution of the benefits of the

economic gains of the 1960s, which fuels the fires of the investment boom, is clearly seen in the record.

Between 1960 and the first-half of 1969:

- Corporate profits, after taxes, skyrocketed almost 95%.
- But the total after-tax personal income of all people in the economy increased only 76%, reflecting increased employment as well as the income-gains of individuals.

- And the weekly, after-tax take-home pay of the average non-supervisory worker (over 47 million in private, non-farm industries) increased only 35%—and, in buying power, merely 10%. Indeed, the buying power of the average non-supervisory wage and salary earner's after-tax weekly take-home pay, in recent months, has been no greater than in 1965.

In the 1960s, after-tax corporate profits rose about 170% faster than the weekly take-home pay of the average worker and approximately one-fifth faster than the total after-tax personal income of all Americans. The corporations—particularly the major banks and blue-chip giants—have received a disproportionately large share of the economic gains of the 1960s and have been beneficiaries of the rising price level.

America needs a much-improved balance between the buying power of wages and salaries, on the one hand, and business profits and outlays for plants and machines on the other. Such better balance in the private economy is needed to provide the framework for economic expansion, without booms and busts. The profit inflation of the 1960s must be halted.

A reduction of price pressures can and must be achieved, without a growing army of unemployed. The employment-gains of the 1960s must be extended—and not reversed by stifling the economy.

The nation's efforts to solve the crisis of the cities, racial discrimination and poverty must move forward. To call a halt to these essential efforts, which were begun in the past several years—or to bring them to a standstill—can jeopardize the future of America. Therefore, be it

RESOLVED: 1. The top-priority objective of national economic policy should be to achieve and sustain full employment—: jobs at decent wages for all people who are able to work and desire employment. The federal government's tax, expenditure and monetary policies, in combination, should encourage the necessary expansion of the economy to provide enough job opportunities for full employment.

For the hard-core unemployed and seriously under-employed, adoption of a large-scale public-service employment program is

essential. The government should become the employer of last resort.

2. The Administration's blunderbuss economic policies must be replaced by selective measures aimed at restraining the specific causes of actual inflationary pressures. The 7% tax credit subsidy for business investment in new equipment should be ended, as well as the fast write-offs of investments in real estate operations, except low- and moderate-income housing—to curb the profit inflation and capital goods boom.

3. Government action is needed to curtail the biggest wave of business mergers, in American history, which has been creating a greatly increased concentration of economic power in the hands of a narrowing group of business firms and banks, with a growing ability to administer prices in numerous industries. In addition, the spotlight of public attention is needed on the pricing policies and financial operations of the dominant corporations in key industries.

4. The Administration and the Congress should take every possible action to roll back interest rates. A careful and comprehensive Congressional examination is needed of the nation's monetary mechanisms and policies. Such an examination should form the basis for much-needed reform of the monetary machinery to provide an ample and growing money supply and reasonably low interest rates.

5. The specific causes of such rising pressures on the cost-of-living as physicians' fees, hospital charges, auto and property insurance rates and housing costs (including soaring land prices and interest rates) should be examined carefully for the development of selective, practical measures to dampen these pressures.

6. We repeat: If the President determines that the situation warrants extraordinary over-all stabilization measures, the AFL-CIO will cooperate, so long as such restraints are equitably placed on all costs, prices and incomes—including all prices, profits, dividends, rents and executive compensation, as well as employees' wages and salaries. We are prepared to sacrifice as much as anyone else, so long as there is equality of sacrifice.

7. The stagnation of real wages and salaries must be ended. The buying power of wages, salaries and fringe benefits must rise sufficiently to provide workers with a fair share of economic progress and to strengthen mass consumer markets, which are the foundation of the American economy.

8. Justice in the federal tax structure is long overdue. To provide a fair and equitable basis for raising federal revenue, the loopholes of special tax privilege for wealthy families and corporations must be eliminated. The poor must be taken off the

federal income tax rolls. The tax burden on low- and middle-income taxpayers must be reduced.

State and local government tax structurers must also be revised to make them both more productive and more equitable.

9. A national manpower policy, based on federal programs and funds, is essential to assist workers and communities to adjust to the disruptive effects of rapidly changing technology and to aid workers to compete more effectively in the job market—as a supplement to policies to sustain full employment. Central to such a national manpower policy is the need for an effective nation-wide U.S. Employment Service, as well as genuine, public and private training programs to up-grade the skills of the workforce, effective measures to rehabilitate the economic health of chronically distressed communities, adequate systems of vocational and general education and federal relocation allowances to assist unemployed workers who wish to move to areas of job opportunities.

10. Full and fair employment opportunities for all minority groups are essential.

11. Measures to solve America's balance-of-payments difficulty should be taken within the context of policies to reach and sustain full employment. A strong full-employment American economy is essential for strength and confidence in world money markets. The government should be provided with tools to effectively restrict the outflow of private capital from the United States. We urge the government to continue to take a strong and positive lead in working for the development of an international monetary mechanism, which can provide a sound basis for the long-run solution of the balance-of-payments difficulties of the United States and other nations.

12. When the war in Vietnam ends, the government should use every possible means to assist returning veterans and affected defense workers and communities to adjust to civilian employment.

13. We urge the federal government to develop, as soon as possible, a comprehensive and coordinated national inventory of needs for housing, community facilities and public services, coordinated by the Council of Economic Advisers. A detailed inventory of present backlogs and growing needs should be prepared by each state and metropolitan area, as well. On the basis of such national, state and metropolitan area inventories of needs, the federal government should provide plans and programs to meet specified requirements within specific periods of time—through financial and technical grants-in-aid to the states and cities and guaranteed loans, as well as through direct loans and direct federal efforts. The timing to reach established targets for meeting the various categories of needs should be speeded up

or slowed down, depending on the availability of manpower and productive capacity, within the context of expanding programs. A massive, coordinated national effort to meet these needs is long overdue, to strengthen the fabric of American society.

14. We call upon the federal government to establish a technological clearing house to gather information on a continuing basis on technological change and its effects on the welfare of the American people, as a basis for public and private programs of adjustments to the disruptive impact of spreading automation. We urge the government to provide unions and employers with a comprehensive information and assistance service that could provide assistance, upon request, in developing labor-management solutions for the complex problems that are related to the impact of automation at the work-place. We also urge the government to encourage research and development in new technology for meeting national needs in such areas as pollution control, urban transportation and improving the quality of life in the 1970s.

15. In implementing the intent of the Employment Act of 1946, it is essential that the President's Council of Economic Advisers annually present its best estimates of how much additional consumer spending and business investment, as well as government expenditures and investments, will be needed to achieve and sustain full employment of a growing labor force, in the face of spreading automation, in the year ahead and in the coming five and ten years. These estimates should be coordinated with the government's inventory of needs for housing, community facilities and public services, as well as with the government's programs towards meeting those needs.

16. In order to improve the operations of the economic system, the President should call an economic conference, early each year, attended by leaders of the major economic groups. Exchanges of information and viewpoints, concerning the government's forecasts and policies—as well as trends and developments in the private economy—can improve the economic policy-making process.

We are confident that America has the productive ability and human ingenuity to meet our society's needs, within the framework of democracy and free institutions. The 1970s can be a decade of substantial improvements in the quality of American life. What is needed is the will and national sense of purpose to meet the needs of a growing and increasingly urban population and to strengthen the fabric of our society.

Federal Tax Policy

Federal tax policy has become an important tool for the advancement of the nation's economic and social goals.

The federal government's revenue-raising abilities have been increasingly called upon to meet the needs of a growing and increasingly urban population for public facilities and services, to alleviate the plight of America's 25 million poor and to ease the financial pressures facing many states and most cities.

Since we as a nation seek so much from our tax system, it is imperative that taxes be levied in a fair and just manner, adhering strictly to the principle of ability-to-pay.

The 13.5 million members of the AFL-CIO are, almost without exception, taxpayers. Union members appreciate the value of government. They are aware of the need for public funds and the facilities and services such funds provide. They are loyal Americans and they are willing to pay their fair share of taxes.

However, the federal income-tax structure has drifted far afield from America's standards of fair play, and an unduly large share of the cost of government is heaped on the shoulders of workers. The unfair manner in which federal taxes are raised seriously limits the effectiveness of federal tax policy in forwarding national objectives.

In 1967, the federal income taxes paid by millionaires averaged only 25% of their total income. Twenty-one of these millionaires and 134 other persons whose reported incomes exceeded \$200,000 paid not one cent in federal income taxes.

At the same time, an \$8,000-per-year married wage earner paid \$1,000 in federal taxes and 2¼ million taxpayers whose incomes fell below the government's poverty-income threshold paid \$100 million in federal taxes.

The federal tax structure is rigged against wages and salaries—against income from work. It is rigged in favor of unearned income.

This unfair rigging is the result of the triple standard applied to income taxed by the federal government.

One standard applies to wages, salaries and other forms of so-called ordinary income. This income is taxed in full, and for workers, the tax is regularly deducted through payroll withholding.

A second standard applies to income from the sale of stocks, real estate and other so-called capital assets at a profit. Only half of such income is taxed. And under present law the tax can

never be more than 25%—even for those in the very top tax brackets.

A third standard is applied to certain forms of income which never even appear on the tax form, such as the interest on state and local bonds, or the income that is washed out by phantom, non-existent costs as oil depletion, fast depreciation write-offs, and bookkeeping farm losses. This income completely escapes taxation.

The wealthier you are, the greater are the opportunities to take advantage of these preferentially taxed or untaxed forms of income.

The Congress is presently engaged in an effort to reform the nation's tax structure. The Tax Reform Act of 1969, passed by the House of Representatives, represents a major step down the road toward tax justice. Unfortunately, it does not go far enough and the Administration's recommendations, if adopted, would undo many of the forward measures proposed by the House and add additional inequities. The House action should be improved upon and all proposals, including those of the Administration, which would move the tax structure still farther away from America's standards of fair play should be rejected.

The House-passed Tax Reform Act of 1969 would trim, though not eliminate, a number of the loopholes and gimmicks in the tax structure that provide special, unfair tax bonanzas for the very wealthy.

The House action would also eliminate the 7% investment credit to business—a device the AFL-CIO has always opposed. The House bill would also curb some capital-gains abuses but the preferential capital-gains half-tax—the prime culprit in the unfairness of the tax structure—would remain intact. And, the Administration has proposed to weaken even the modest capital-gains reforms proposed by the House.

It has long been the AFL-CIO position that all special tax privileges, and particularly those which discriminate between earned and unearned income, are completely unfair and must be eliminated. That remains our position.

Effective loophole closing is one dimension of tax justice—appropriate tax relief is the other.

Under the House action, the working poor would be relieved of any federal income-tax obligation. This is a measure long sought by the AFL-CIO.

However, unnecessary tax cuts are proposed for the wealthy, and only a modicum of relief has been offered to those just above the poverty-income threshold and middle-income wage and salary earners.

The Administration claims the House has gone too far in its proposals to reduce the unduly large tax burdens borne by those of low and middle incomes. But, the Administration agrees with the House proposals to reduce the taxes on the wealthy.

The Administration has urged the Senate to grant less tax relief than the House bill for low- moderate- and middle-income taxpayers and to disallow the personal income-tax deduction for state gasoline taxes. On top of this, the Administration recommends a corporate tax-rate cut.

We do not agree with the generous rates reductions for wealthy taxpayers recommended by the House and the Administration nor with the Administration's proposal to disallow state gasoline tax deductions; and certainly, there is no justification for the Administration's proposed \$1.6 billion cut in corporate income-tax rates.

We believe there is every justification for a significant reduction in the taxes paid by low-, moderate- and middle-income taxpayers. At the same time, we believe there is an urgent need to protect federal revenues. Dollars must be available to fully fund existing federal programs and enact new ones to enhance the nation's economic and social environment. The stage must not be set for meat-axe budget cutting. These goals can be achieved by effectively closing tax loopholes and ending tax gimmicks.

The AFL-CIO seeks tax justice. This requires:

1. The complete removal of the impoverished from the nation's tax rolls.
2. A meaningful reduction in the relative tax burdens of low- and middle-income families.
3. The elimination of the loopholes of special tax privilege for wealthy families and businesses.

Most of the present inequities in the tax structure have developed over a quarter-century of horse-trading for special privileges, frequently under the guise of incentives to encourage an activity in the national interest. Unfortunately, the costs of these special privileges in terms of dollars, equity, wastefulness and taxpayer confidence have far outweighed any benefits.

Despite this sad record, additional tax loopholes for wealthy people and corporations are now being advocated as panaceas for virtually every national ill that can be identified. There is talk of adding new tax gimmicks for real-estate operators, many of whom are now more accurately considered in the business of constructing tax shelters rather than shelters for people. And there are tax-forgiveness proposals ranging from those which would provide tax incentive subsidies to industry

for on-the-job training and inner-city industrial development to those which would encourage gold mining.

Those who make these proposals would further reward those who already more than adequately share in America's affluence, and use as their excuse, the plight of those who are today in trouble because they do not have their fair share.

We view such schemes as haphazard, costly and wasteful approaches to meeting the nation's goals. Tax forgiveness has the same impact on the federal budget as a direct expenditure. Yet, through such gimmicks the federal government relinquishes budgetary control to the wealthy investors and businesses who reap most of the benefits—without federal performance standards. When a privileged few are provided shelters that enable them to avoid their fair tax share, others must reach deeper into their pockets.

We believe that America has the resources to meet our domestic problems and help solve the financial crises facing many states and most large cities. And we believe that the federal government through its broad and productive tax base enjoys a unique ability to marshal these resources.

But we believe that the nation's best interests will not be served through tax-forgiveness schemes or "no strings" aids to states and localities that are not geared to specific programs, developed in line with Congressionally-defined national priorities and subject to federal standards of performance.

Finally, we call for unequivocal dismissal of all proposals for a federal retail sales tax. Whether such proposals are called "value-added" taxes or offered clearly as a tax on consumers, the effect is the same—those who can afford it least bear the brunt of the burden.

The Urban Crisis

This is a time of crisis for urban America. Reflected in a broad spectrum of social and economic problems, the crisis of the cities has become one of the major domestic issues of our time. The problems resulting from the radical and rapid social and economic changes of the past quarter of a century now demand solutions.

The population of America's urban centers has skyrocketed, with an increased birthrate and the migration of millions of people from the farms and rural areas. At the same time middle-income families have been moving out into the suburbs, leaving cities with a minority of upper-income families and large numbers of the poor, the unemployed, and the new migrants.

In the past quarter of a century, the spread of automation has reduced job opportunities for uneducated, unskilled workers and speeded up the shift of industrial location from cities to suburbs and outlying areas. The need for adequate housing, community facilities and services has soared, while the tax base of the cities has narrowed. And despite the long-overdue adoption of federal civil rights legislation, discriminatory practices are still a widespread reality, although rapidly declining under the pressure of government, as well as of churches, trade unions and other private institutions.

Slum schools frequently fail to provide quality education for the children of inner city residents. The number of welfare recipients has continued to rise. The incidence of crime, especially in the inner city areas, has gone up dramatically over the past several years. The availability of decent housing continues to be a major problem for the poor and the minorities residing in our large urban centers. The availability of urban transit, of sanitation, health and other community services, especially in the poor neighborhoods, continues to decline. There are no overnight solutions and instant panaceas that will resolve this complex of problems. Slogans won't produce positive results.

We in the AFL-CIO believe that there are solutions to the problems of the cities and we are committed to work toward these solutions. We recognize that our cities are essential to the preservation of a free and democratic society.

The nation has been alerted to the seriousness of the problems of urban America. Already some positive steps have been taken toward the solution of some of these problems.

What is needed is the commitment of very substantial amounts of federal funds and strong national leadership to these programs that are necessary to revitalize our urban areas as centers of American civilization.

Housing and urban development

There is a shocking failure in this country of great material wealth to provide safe, decent, sanitary housing in neighborhoods open to all and available at prices people can afford to pay. Today there are at the very least 11 million substandard and overcrowded dwelling units in the United States. This is 16 percent of the total housing inventory.

In the 1968 Housing and Urban Development Act, Congress set a national housing goal calling for production over the next ten years of 26 million dwelling units, 6 million of which are to be for low and moderate income families. This calls for production of 600,000 moderate income units per year. We would set the goals even higher and include an annual production of 1,000,000 low and moderate income units.

The unmet need for additional housing to serve the lowest income families who cannot be decently housed without federal assistance is staggering. It is a critically important factor in the crisis of our cities.

Authorizations for low-rent public housing should be stepped up without further delay to a rate of 300,000 units a year and as soon as possible to 500,000 units a year. We strongly support the proposal in the 1969 Housing Bill to provide additional assistance to very poor tenants of public housing projects. The neediest families must not be excluded from public housing.

All of the tools for urban redevelopment already provided must be fully activated and funded. Also fully funded and put into high gear should be low and moderate income subsidies for home ownership and public housing, model cities, urban renewal, rehabilitation grants, loans, and mortgage insurance, cooperative housing, rent supplements, housing for senior citizens, and equal housing programs.

Because of the mobile nature of their work and of their low income, provision of adequate housing for migratory farm workers and for their families is a special problem which requires special consideration.

We recommend the development of a special program designed to provide "home base housing" for migratory farm workers at strategic locations. Publicly constructed and owned housing centers for these workers and their families should be included as a local non-cash grant-in-aid under the urban renewal program. Essential community facilities should be provided in connection with such centers and tenant services made available to help meet the needs of migrant families. In addition to providing the needed shelter, such "home base housing" would have a salutary stabilizing effect on the lives of migrant farm workers and their children.

We urge that a campaign be started to let the American people know how desperate the need is. We urge that housing programs be assigned top priority status in national planning and that full funding of programs already authorized be immediately effected.

At the core of the nation's housing crisis are the inflationary interest rates exacted by money lenders. Housing has been the principal casualty of the stifling effect of the tight money policy on the economy. As a result the critical shortage of needed housing instead of being relieved, has become more acute.

In the face of these extraordinary pressures, adverse to housing progress and inimical to balanced growth of the whole economy, we call for special measures to shelter housing from the restrictive effects of high interest charges, and for a sub-

stantial reduction in the general level of interest rates. We also ask for a combination of programs designed to channel funds into low and moderate income housing.

Congress should authorize the Government National Mortgage Association to operate in tandem with the Federal National Mortgage Association and with other private investors to provide a steady flow of capital financing at reasonable interest rates for housing urgently needed by low and moderate income families. Instead of charging the discount to the consumer, any discounts that are necessary would be absorbed by GNMA as part of a sound public policy to assure the availability of housing financing at a reasonable price for those of low and moderate incomes who need housing.

We also recommend that the Federal Reserve Board, in addition to its present authority to make purchases in the open market, be authorized to purchase directly from GNMA, FNMA, and the Federal Home Loan Bank Board the obligations of these agencies. This would make it possible to channel funds directly into the mortgage market when needed during periods of monetary stringency and high interest rates.

We support the pending legislation authorizing the use of Veterans Administration funds for investment in VA guaranteed mortgages. In addition, we ask that Congress study the feasibility of earmarking a percentage of the Social Security Trust Fund for investment in mortgages to produce low and moderate income housing.

Union organizations are presently sponsoring more than 230 housing projects and in these projects there has been an increased use of the most modern technology. We commend these initiatives and the foresight of the Building and Construction Trades Department in 1968 in making possible an objective research study of prefabrication in the construction industry by the Battelle Memorial Institute. Innovative technological improvements will be welcomed by workers when they lead to lower housing costs, to expanding economic activity and expanding employment opportunities and when labor and safety standards are fully maintained. However, to have a meaningful effect on costs for low income housing, the introduction of new technology must take place in a large volume private market with full scale support by all levels of government in the assemblage of large projects, a continuing public housing program, and a continuity of mortgage money supply.

Other critical aspects of our national policy that relate to the housing and construction programs must receive immediate attention and implementation.

Among these areas of concern is the need for a national land policy. While the ratio of average site value to average housing

value was 12 percent in 1950, it rose above 20 percent in 1969. Inflation land cost is an important element in the high cost of housing.

It is our view that the magnitude of the problem calls for the formulation of a national land policy. The AFL-CIO recommends that such a land policy encompass all measures necessary to help assure availability of enough land, at reasonable cost, to achieve our housing goals. Foremost among such measures we recommend the establishment of an appropriate housing land "reserve" to meet the national housing goals. The land reserve program should utilize, among other sources, a write-down of land for low and moderate income housing both inside and outside urban renewal areas.

If people are to live where housing is available at prices they can afford, there must be urban mass transit. The present inadequacies of urban transportation systems in most of our cities place a special burden upon the city wage and salary earners, for whom getting to and from the job is an ordeal—and increasingly so with the increased relocation of industries in the suburbs. There is an acute need to modernize, expand and reorganize the urban transportation systems. To achieve this, adequate federal grants requiring increased authorizations are necessary.

The AFL-CIO was one of the first proponents of legislation to develop a large-scale program of building new communities located at a distance from the inner city.

The benefits from this program would be two-fold: First, an opportunity to develop well-planned and well-balanced communities that upgrade the quality of life for all who live there, while accommodating the expected increased population. Second, a means to make possible large-scale relocations from the obsolescent, blighted areas in the inner city, thereby permitting demolition of a substantial number of structures in the inner city that have outlived their usefulness and replace them with new housing, schools and other facilities needed in the inner city.

Above all, we insist that there be assurance of economic and social balance in the new communities, through the provision of an adequate supply of low- and moderate-income housing open to all as a condition to federal aid in any form.

The medical needs of the nation's families constitute a separate priority but the provision of group practice facilities relates to the housing and construction program. The national health care crisis has been caused by a progressive breakdown in the capability of the fee-for-service, solo practice, entrepreneurial health system to deliver health care where it is needed at locations convenient to the total population.

The AFL-CIO successfully fought for and won an extension of the mortgage insurance program of the National Housing Act so that out-patient facilities as well as hospitals and nursing homes are eligible to receive government guaranteed loans for up to 90 percent of the cost of such facilities. All affiliated unions and health, welfare and pension funds are urged to promote the development of prepaid group practice plans utilizing the HUD guaranteed loan program for financing the cost of new health facilities.

Related urban programs

A major component of the solution to the cities' problems is the need for employment. Many of those who live in the inner city have few skills, are poorly educated or have other handicaps which keep them out of the job market. It is essential, therefore, that the federal government make possible job training programs, coupled with essential educational and social services, to equip these disadvantaged workers with marketable skills. For those who cannot be absorbed into jobs by private industry, we urge the federal government to develop and finance a program of public service employment which would permit these workers to perform necessary and useful work. We urge that jobs in essential public services be made available to the unemployed and underemployed.

In the area of public welfare, the AFL-CIO proposes full federal financing and administration of the Nation's public welfare costs. Under such a program persons who are unemployed through no fault of their own and those who can't work should, with their families, on the basis of need, receive payments which would be sufficient to lift them out of poverty. For those who are unemployed and are able to work, training programs directed at existing jobs should be available with adequate financial allowances while training.

To help those who are poor, the AFL-CIO strongly recommends the continuation of the OEO anti-poverty effort. Although the OEO has never been adequately funded, it has helped thousands of workers become self-supporting citizens. Another approach to helping the working poor, proposed by the AFL-CIO, is to extend the coverage of the Fair Labor Standards Act and to raise the hourly minimum wage.

A program of environmental control must be undertaken to help the cities maintain pure water supplies, to rid them of polluted air, and stop the pollution of lakes and rivers. We must conserve and provide green spaces in and around the cities so that the residents may have play and recreational facilities easily accessible to them. In order to improve the quality of life

in the cities, the AFL-CIO calls for a step-up in the construction of public facilities such as schools, hospitals, day-care centers, play-grounds, libraries and cultural centers.

The children of the inner city should not continue to be penalized by the unequal educational gap between the privileged and under-privileged school children of our nation, by special incentives to teachers in slum areas, federal subsidy of more effective school type programs, full use of school buildings for job-training, adult education and community centers. In addition, vocational training must be realistically geared to the modern job market.

Economic planning—under federal leadership, and including each state and metropolitan area—should include the development, coordination and maintenance of an inventory of needs for housing, public facilities and services to provide the basis for adequate funding of planned programs to meet the needs of a rapidly growing urban population, while also providing a sound foundation for an expanding private economy.

AFL-CIO efforts

This national complex of social and economic problems cannot be solved by city or state governments in isolation. Neither can it be solved by private enterprise alone. Solutions to these problems require nationwide social and economic measures, with adequate federal funds and federal standards, with the cooperation of city and state governments, and equally important, the willingness of non-governmental institutions and of individuals to occupy themselves with the challenge of the urban crisis.

Accordingly, we in the AFL-CIO have taken steps to place the resources of unions, both financial and human, to work on the urgent problems of urban America. The following are some examples of the AFL-CIO's direct involvement in urban affairs:

1. We have created an Urban Affairs Department to coordinate the efforts of the federation in the fields of housing and urban renewal, manpower, poverty, mass transit, and related urban problems.

The Urban Affairs Department works with local AFL-CIO central bodies and national and international unions to stimulate effective participation of unions and their membership in the critical problems facing their communities.

2. The AFL-CIO Mortgage Investment Trust is vigorously enlisting the investment of general treasury and pension funds of AFL-CIO affiliates into a mortgage investment program designed to help provide adequate housing for America's low and moderate income families.

3. The Human Resources Development Institute was established to extend and expand the involvement of unions in manpower training programs directed at helping the disadvantaged worker.

4. The AFL-CIO and its affiliated unions have given crucial support to all the major legislative enactments designed to alleviate the problems of the cities.

5. The AFL-CIO has worked with the National Housing Conference for better housing and better urban living for all Americans. The NHC more than deserves the continued support of the AFL-CIO and its affiliated unions.

6. The AFL-CIO participated in the establishment of the Urban Coalition for creation of a broad-based alliance of Americans concerned with the crisis of the cities.

7. AFL-CIO unions have fought for fair housing both legislatively and in practice: the more than 230 housing projects providing housing for several hundred thousand families, sponsored by the AFL-CIO affiliates across the nation are, without exception, open to all Americans without regard to race, creed, color or national origin.

The crisis of the cities did not come without warning. It has been coming for a long time. The solutions will not come easily nor quickly. We have proposed a program of action.

Organized labor has a crucial role to play in the revitalization of our cities. We urge our national and international unions, their affiliated locals, district councils and state and local central bodies to participate with the AFL-CIO Department of Urban Affairs in its programs and to fulfill our historic mission in the continual improvement of the quality of American life for all citizens.

Urban Mass Transportation

WHEREAS, the development of an adequate system of balanced public transportation is essential to the continued life of our urban areas and basic to their social health and economic growth; and

WHEREAS, what is needed by all citizens is low fare, convenient and efficient public transportation alternatives to the automobile supported by general tax funds; and

WHEREAS, the Nixon administration has recently transmitted to the Congress proposals to provide long-term financing for expanded urban public transportation programs; therefore, be it

RESOLVED: 1. That the AFL-CIO urges the Congress to enact an expanded federal program of aid to urban mass transportation by amendment and extension of the Urban Mass Transportation Act of 1964, with a total authorization and funding of not less than \$1 billion a year over a 12-year period beginning with fiscal 1971:

2. That the Congress should firmly demonstrate its intention to fund an on-going program to the full level of authorizations, either through establishment of an appropriately financed mass transportation trust fund, or through adoption of a system of advance appropriations to assure future funding of essential projects;

3. That a fair and equitable method of cost-sharing among all those who benefit from the availability of public transportation should be used to finance this program. A system of earmarked user charges will not work because those most dependent on public transportation in our society are the poor and underprivileged who cannot afford to use the automobile for their essential transportation;

4. That any program of expanded federal aid to transportation must retain intact the pattern of financing, planning and substantive labor protection requirements presently in the Urban Mass Transportation Act;

5. That any accelerated program of capital investment in mass transit improvements and equipment, including advance acquisition of land and future rights-of-way, should be supplemented by a carefully drawn new program of operating supplements in aid of essential commuter and other transportation services, including those to and from job training centers, employment opportunities, health facilities, educational institutions, recreational and cultural facilities;

6. That the emphasis in our governmental highway programs in urban areas must be broadened to permit the use of such earmarked funds for additional land acquisition and construction of a highway and freeway network designed to serve rail and bus transportation as well as the private automobile, through reserved bus lanes and grade-separated transit rights of way, and the like;

7. That present programs, under which private transit systems are not excluded from the benefits of the present act and may receive federal funds under proper safeguards to insure public participation and control, should be retained;

8. That the Congress should make plain that the obligation to maintain labor standards includes the payment of prevailing wages to all workers engaged in the construction and operation of mass transit facilities in any program involving federal finan-

cial assistance. Such standards should also guarantee to rail and transit workers the first opportunity for employment on any new transportation system which is built with federal funds. In addition, we believe that the federal government should share in the costs of providing displacement allowances under employee arrangements approved by the Secretary of Labor.

Financing State and Local Governments

The nation's 50 states and 81,000 counties, municipalities, townships, school districts and special districts are fighting, frequently against overwhelming odds, to keep up with the changes in American life.

Last year, to meet large and growing demands for education, health care, public assistance, transportation and such other community functions as police and fire protection, waste disposal, sewage, pollution control and urban renewal, these government units spent \$102 billion—\$38 billion more than five years ago.

To meet these costs, state and local governments increased tax revenues by 40% between 1963 and 1968. Their debts grew by \$36 billion and the federal government more than doubled the flow of grant-in-aid funds—from \$8.6 billion in 1963 to \$10.6 billion in 1968. By the end of fiscal year 1970, federal grants-in-aid to states and local governments are expected to reach \$25 billion.

Despite great and growing needs for revenue, most states and localities have failed to adopt tax systems that are equitable and productive.

The AFL-CIO has long maintained that the first element to a fair and productive tax structure is that the tax be based on income—on ability to pay. Secondly, taxpayers in low- and middle-income ranges should pay lower rates than those in upper brackets. Third, the tax should take into account special circumstances such as family size, medical costs, and casualty losses, which affect ability-to-pay.

In addition to being fair, income taxes are productive revenue-generators—automatically growing with the expansion of sales, employment and income. In contrast, revenues from regressive taxes—those on sales and property—do not grow as rapidly as the expansion of the economy, resulting in inadequate revenue and pressures for further increases of tax rates on sales and property.

Sales taxes account for three-fifths of state tax revenues. Local governments rely upon property taxes for over four-fifths of their tax dollars. Of the \$68 billion in taxes collected by these

governments in 1968, less than \$10 billion came from income taxes. Moreover, even when state governments levy income taxes, they are seldom genuinely progressive taxes, based on ability-to-pay. Most local government income taxes are more properly called "wage taxes"—they are neither progressive nor do they reach the investment income of the wealthy.

The AFL-CIO believes that if the states and localities are to begin to close the gap between public-service needs and available resources, they must increase their reliance upon truly progressive income taxes based on ability-to-pay.

At the same time, efforts must be made to blunt the inequities of sales and property taxes. Items such as food and medicine should not be taxed; credits and rebates against the state income tax should be permitted to ease the burden of sales and property taxes on low- and moderate-income groups.

Even with fairer and more productive tax structures, many state and local governments would still be unable to provide an adequate level of public services. Financial aid must come from higher levels of government.

*Greater efforts should be made by the states to use their broader tax base in aiding metropolitan areas. In many areas, a major financial problem would be eased if, for example, the states took on a larger share of the costs of public education.

*The federal government's superior revenue-raising abilities should be increasingly utilized to aid the states and localities. The flow of categorical grants-in-aid for specific programs in the nation's interest such as education, manpower training, health and hospitals, metropolitan transportation, air- and water-pollution control, and urban renewal must increase. Moreover, the AFL-CIO's proposal for full federal financing and administration of the nation's public-welfare costs would help in the fight to eliminate poverty and at the same time alleviate a major source of pressure on many state and local budgets.

*The present federal income-tax treatment of state and local tax payments should be reviewed. Methods should be enacted which would improve the fairness in the distribution of the nation's total tax burden and spur the states toward the adoption of more equitable and productive tax structures, such as a federal income tax credit for state and local income tax payments.

Finally, the AFL-CIO believes that federal funds should not be shared with the states on a no-strings basis. The nation's best interests will not be served through block grants or other federal tax-sharing devices which are not tailored to specific program needs, developed in line with national goals and priorities, subject to Congressional scrutiny, and conducted under federal standards of performance.

Monetary Policy

America needs a monetary policy that can provide a sufficient supply of money and credit, at reasonable interest rates, to serve the requirements of the American people for full employment, economic growth and public facilities and services, while avoiding cycles of boom and bust. To achieve this goal, monetary policy must be linked with federal tax, expenditure and other national economic policies in a common effort.

This goal has been undermined in a trend of rising interest rates and frenzied competition among lending institutions, which have served the interests of the major banks and other lenders, at the expense of consumers, home-buyers, smaller businesses, farmers, state and local governments and the nation as a whole. Interest rates have been in an upward see-saw trend for nearly 20 years.

In the name of fighting inflation, interest rates were raised, in 1969, to the highest levels in 100 years and the supply of credit for housing and public facilities was squeezed almost dry. The prime interest rate for blue chip corporate borrowers was raised in June to 8½%—the fifth rise in six months, bringing this basic price of money 31% above a year before and 89% more than in early 1965. Other interest rates, which are scaled on the prime rate, also went up. Since interest rates are a factor in almost every conceivable consumer purchase, these soaring rates pushed up the prices of consumer goods, mortgages and rents, contributing to the rise in the cost of living.

Skyrocketing rates on mortgages and loans to home-builders—accompanying the squeeze on available credit for housing—brought a sharp drop in housing starts from a yearly rate of 1.8 million in January 1969 to 1.3 million in July and continuing down, with rising unemployment of workers in residential construction. While high interest rates and tight money hit home-building fastest and hardest, other industries were also being affected by the summer months.

However, booming business investment in new plants and machines—the only sector of inflationary-demand pressures in the entire national economy—continued up rapidly in 1969. The major corporations, which have fueled the investment boom, have large internal flows of cash, their own methods of raising capital and when they borrow funds, they pay the lowest interest rates on loans. By September, the monetary policy was affecting most parts of the economy, except booming business investment. The big corporations can be affected by high interest rates and tight money, as in the past, only after the economic activities and incomes of most parts of the economy are sufficiently stalled or depressed to curb the sales and incomes of the blue chip giants.

The cost of this policy to the American people is enormous. It has already brought increases in living costs and has locked many people into outrageously high-interest debt obligations, that will have to be paid for many years to come. It has depressed residential construction, at a time when a great expansion of home-building is needed. It is boosting unemployment and threatens the entire economy with recession.

Experience with similar policies during the past 20 years is sufficient proof of the dangers of blunderbuss monetary measures, based on high interest rates. Therefore be it

RESOLVED: The supply of money and credit and the rates of interest in the United States should be determined by the needs of the American economy for sustaining full employment and economic growth. When excessive demand pressures affect parts of the economy, the Federal Reserve and other government agencies should adopt measures to regulate and control those areas that are causing the problems, such as business investment in 1969.

The Congress should return to a policy of low interest rates as a matter of national policy.

The Federal Reserve should be required by Congress to roll back current interest rates, and interest rate ceilings should be lowered by law.

The Federal Reserve should use its authority to move interest rates downward and to maintain reasonably low interest rates, particularly on long-term loans which affect economic growth and employment.

Direct support to mortgage and housing needs should be provided by the federal government as part of the nation's monetary policy. The monetary needs of residential construction should be sheltered during periods of monetary restraint.

The Federal Reserve system should be required by Congress to act in harmony with the economic policies of Congress and the executive branch of the government.

Congress should revise the structure and organization of the entire Federal Reserve system and create an effective central banking system—including removal of all aspects of private ownership of the government's central banking system.

Membership on the governing and advisory committees of the entire Federal Reserve system, including the regional banks, should be opened up to representation from major groups in the economy—including consumers, organized labor and small business.

The increasing concentration of banking and its interlocking business connections is dangerous to the economy. Anti-trust laws should be applied effectively to banking operations and efforts should be made to force banks to be more competitive and less interlocked with non-bank business interests.

Rates of interest and the supply of money and credit should be determined by the needs of the American people—not by the interests of American bankers or decisions by foreign central banks.

Balance of Payments

America's balance of payments problems continue to concern United States policymakers and citizens. The twenty-five-year-old world monetary mechanism continues to show signs of periodic strain, despite recent attempts to strengthen it.

The American dollar has proved its value as a medium of international exchange. The adoption of Special Drawing Rights will be a helpful means of adding to world reserves. But the strength of the dollar depends on the strength of the U.S. economy at home—not the whim of foreign or U.S. bankers, the gold in Fort Knox, the desires of U.S.-based international companies to expand abroad or the ability of private investors to reap windfalls.

The AFL-CIO rejects the view that increased unemployment or depression of the American economy is an appropriate "trade-off" for an improved balance of payments. America's costs and prices in world markets are increasingly dependent on corporate pricing and investment policies at home or abroad. Restraint of U.S. wages or creation of increased unemployment will not help the U.S. dollar and will hurt the economy, both at home and abroad.

Many recent international actions have affected the course of U.S. balance of payments—such as the evaluation of the French franc and reports about changes in the value of the German mark. Rising interest rates in every industrial country means competitive attractions for speculators, but no sound underpinning for a world economy: interest rate competition among the major industrial nations is a threat to their economic security and to international economic relations.

Reports of an estimated \$15 billion deficit (annual rate) in the U.S. balance of payments in the second quarter of 1969, cannot be ignored. The continued failure of the administration to restrain private capital outflows, supervise foreign private investment actions, regulate and seek realistic remedies for the

U.S. trade balance will mean further difficulties for the United States at home and abroad. Therefore, be it

RESOLVED: The AFL-CIO calls upon the Administration to improve the methods of meeting balance of payments pressures, within the framework of an expanding, high-employment American economy.

Measures to depress the national economy in the name of balance of payments needs should be rejected. The economy at home should be the determining factor of U.S. policy.

Government mechanisms for effectively and directly supervising private capital outflows should be enacted by the Congress and controls should be effectively maintained for as long as necessary.

Taxes on tourism and control on travel should be among the last, not the first, steps of a free society in dealing with balance of payments deficits.

America should encourage the use of U.S. flagships in shipping and seek the end of freight rate structures that discriminate against U.S. shipping and exports. The government should also protect U.S. commerce from other types of foreign discrimination.

Tax subsidies to U.S. exports are not needed.

American collective bargaining and labor policies should not be undermined in government attempts to meet balance of payments problems.

Information on details that affect the balance of payments—product flows for exports, imports, and their relations to private foreign investment, must be made available. Clear reporting of actual balance of payments figures by the U.S. Government should be required.

Continued efforts toward a better international monetary mechanism is essential. The Special Drawing Rights mechanism is a first step. Additional flexible mechanisms should be explored and adopted to provide effective machinery for the world's expanding credit needs.

Modernization of the Federal Budget

The AFL-CIO for many years has called for meaningful reform of the federal budget—the most significant and far-reaching fiscal document in this nation.

Budget policies lie at the heart of financial and economic programming of the United States government. Fundamental reform of present methods of annually presenting the federal budget is indispensable if the President is to manage adequately government resources, and to formulate sound monetary, tax and public investment policies, both immediate and longer range.

The previous administration took several much-needed steps toward a modern budget presentation for the federal government, but failed to include a capital budget as part of these reforms.

The lack of a federal capital budget makes it difficult to plan and execute needed public sector programs, particularly those calculated to stimulate job-creation and to meet the needs of a rapidly growing population for expanded and improved public facilities.

A modern business-like budget for the federal government would establish one account for general housekeeping expenses of government and for national security. These are not investments in physical or financial assets and are not expected to yield a dollar return. The other budget account would be a capital expenditure account, which involves creation, improvement or acquisition of assets or acquisition of recoverable claims.

The capital budget is almost universally used by modern business corporations, by most western democracies, by at least one-third of the states, and by most of the larger American cities. Only the federal government lags behind. Therefore, be it

RESOLVED: We urge the President to include a capital budget as the next major step to modernize the annual federal budget presentation.

Federal Research and Development Programs

Federally financed expenditures for research and development have increased more than five-fold since 1955 and now have reached \$18 billion. The Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Agency and their contractors receive almost 85 percent of this total.

Sixty-three percent of these \$18 billion of federal research and development expenditures are received by private corporations and only 21 percent are spent on such activities, conducted by government agencies.

The potential for monopoly, waste and adverse effect of the geographical location of facilities is enormous. The impact on this nation's economic and social institutions, policies and pro-

grams can be profound. Much of the emphasis of government research and development is on weapons systems and space programs, but with inadequate resources devoted to on scientific and technological work on urban, environmental and social problems.

There is inadequate public knowledge about the vast federal research and development program, which is related to industrial technology, health and civilian products, as well as to military and space programs. Therefore, be it

RESOLVED: We urge the Congress to undertake a methodical, vigorous and thorough examination of the federal research and development effort.

We also support legislation which will establish a national policy dealing with the issuance of patents, created at federal expense. Title to such patents should be held by the United States and be placed in the public domain under royalty-free cross-licensing provisions. Such a policy is now lacking in the research and development programs of the Defense and Space programs.

We also endorse legislation which would prohibit requirements by private industry that employees waive their rights to inventions they may accomplish while employed, and we oppose any efforts to raise patent-filing fees above their present level.

United States Savings Bonds

For many years, United States Savings Bonds have offered wage and salary earners a unique method of saving money through regular payroll deductions. Of course, such deductions provide workers with a convenient way of participating in a systematic savings plan, with an investment that is easily convertible into cash, when needed. Moreover, such savings provide the federal government with badly needed funds for public investment and national defense.

However, the U.S. Savings Bond program has been in danger.

It is reported that some bankers, who view it as a competitor with their savings departments, have been seeking to kill it. There has been a campaign to eliminate this form of savings, which is of particular value to workers.

At the same time, the present discriminatory low interest rate on Savings Bonds, undermines the program's value. At a time of skyrocketing interest rates, a 4 1/4% interest rate has been maintained on U.S. Savings Bonds—a rate substantially below other current Treasury interest rates.

Moreover, some people have tried to use the obviously needed rise in the interest rate on U.S. Savings Bonds as a way of eliminating the last remaining low-interest statute of Congress—the 4 1/4% statutory ceiling on long-term government bonds—or lifting that ceiling.

The AFL-CIO, which has consistently supported the Savings Bond program, believes it must be salvaged, both because of its value as a savings device for workers and because of its value to the federal government. Therefore, be it

RESOLVED: We urge the Administration and the Congress to resist the drive to kill the bond campaign and to protect and revive the U.S. Savings Bond program, as a means of providing the government with needed funds and workers with a convenient systematic savings plan.

We urge the Congress to quickly adopt the pending bill before the House of Representatives, which would raise the interest rate on U.S. Savings Bonds to 5% by reducing the maturity of these bonds and without either lifting or eliminating the statutory ceiling on long-term government securities.

We pledge to continue to vigorously promote purchases of such bonds and work for the adoption of payroll deduction plans in every place of employment, if we can assure workers that their patriotic purchase of these bonds will assure them a fair return on their investment.

Manpower Policy

The development of a federal manpower policy has been evolving since the passage of the Manpower Development and Training Act of 1962 and the Economic Opportunity Act of 1964. Under these acts, as well as other legislation, the federal government has initiated a number of programs designed to help the poor, the young, the hard-core unemployed and members of minority groups, to improve their employability and career prospects. Expenditures for federally-supported manpower programs have risen from \$245 million in 1961 to \$2.2 billion in 1968. The number of people serviced by manpower programs has risen from a negligible number in 1961 to perhaps one million in 1968. And yet this has not met the nation's needs.

There is an immediate need for a comprehensive national manpower policy that would consolidate the multiple and varied federally-supported manpower programs under a centrally-directed administration. In the past 8 years, programs have grown up helter-skelter. New agencies—public, private and quasi-public

—have come into being with conflicting and overlapping jurisdictions among themselves as well as with existing agencies.

As part of this consolidation, it is important that the U.S. Employment Service be federalized. As currently constituted, it is 50 different state systems and, as such, handicaps the development of an effective national manpower policy. Its activities are patterned on state and local boundary lines and do not offer the fullest possible service to the worker.

Programs have been funded at inadequate levels. In too many instances, manpower activities have been viewed as a substitute for welfare programs with the result that neither need—manpower nor welfare—has been adequately met. At the same time, training allowances, for trainees entitled to such allowances, have been inadequate.

Too much emphasis of these federal training programs has been directed towards placing workers in entry-level, low-wage jobs which require little or no formal training. In too many instances, manpower activities have been viewed as a substitute for welfare programs, with the result that neither manpower nor welfare needs are adequately met. The main thrust of training must be directed toward helping individuals develop their maximum potential skills for employment opportunities in the job market—to upgrade the skills of the work-force.

A major difficulty arises because there are not enough jobs for the nation's hard-core unemployed and under-employed. If there were full employment, the employers would—as many are doing, today—hire untrained workers for entry-level jobs and other jobs, as well, and train them without government financial assistance. The entire thrust of the various training efforts, under such conditions, would make for a much more meaningful manpower program.

While one million people per year are helped by current manpower programs, this is but a fraction of those who require help. An expansion of existing programs, through the creation of additional training opportunities in private industry is clearly indicated, but it has been demonstrated that the private sector has not met the job and training needs of all of the disadvantaged.

A comprehensive manpower policy must include, as one of its basic elements, a federally subsidized, large-scale public-service employment and training program—to create jobs for the hard-core unemployed and seriously under-employed. There are job and training opportunities to provide badly needed services in hospitals, schools, fire and police departments, recreational and sanitation facilities and other federal, state, local government and private, non-profit facilities.

The Nixon Administration has recognized some of the problems and the need for a comprehensive approach. However, it does not recommend a federally financed public-service job-creation program. Moreover, the Administration proposes a system of block grants to the states, which would rest responsibility for development and administration of manpower programs in the hands of the states, with provision for a small share to be allocated to metropolitan areas. But the problems of employment and unemployment cut across state lines and do not lend themselves to individual state solutions.

Moreover, the Nixon proposal would use the state employment agencies, as the basic operating agency for all manpower activities. The past record of many of these state agencies hardly suggests that they would be an effective instrument, as currently constituted, to press for job placement or job advancement for the poor or members of minority groups. Therefore, be it

RESOLVED: 1. All manpower programs should be consolidated into a comprehensive, coordinated administration under the Department of Labor to eliminate overlapping and conflicting interests.

2. The employment service should be federalized, because only then can it adequately function as an agency to meet the needs of workers and employers on a national basis.

Until federalization is accomplished, we urge the following steps be taken immediately: (a) assure that the public employment service will pattern its operations according to economic boundaries and not be hemmed in by community and state boundaries; (b) induce the states to increase the salaries of employment service personnel; (c) require all government contractors, although free to hire from any source, to list all their job vacancies with the public employment service, providing, however, where jobs are made available to workers seeking employment through union hiring halls or other union-management arrangements, such arrangements shall be acceptable in lieu of listing with the public employment service; (d) increase federal financing, including appropriations from general revenues; and (e) strengthen the ability of the United States Employment Service to set and enforce higher standards of performance by state employment services.

3. A large-scale federally subsidized public-service employment program in the public sector should be enacted, so that the government can be the employer of last resort for the hundreds of thousands of hard-core unemployed and seriously under-employed.

4. Federal relocation allowances must be developed to assist unemployed workers who wish to move to areas of job opportunities.

5. Public funds should not be used to reimburse employers for costs which previously had been considered a normal operating expense. There is a very real need to strengthen a wide variety of supportive services in order to move the severely disadvantaged into the job market successfully. In order to accomplish these twin objectives, reimbursement to employers should be made only for what might be regarded as unusual expenses connected with hiring the disadvantaged, and only in cases where the worker is certified by a public agency in accordance with criteria developed by the Manpower Administrator—as requiring such services to be employable.

6. Federal programs to provide training for low-wage, entry-level jobs, as well as jobs with a high rate of labor turnover, or jobs for which workers have not historically been required to possess any skill at the time of hire, should be sharply curtailed. The prohibition on government training programs which in any way help employers to shift locations should be rigorously enforced.

7. The Manpower Administration should continue to develop regional manpower advisory committees and should utilize the Cooperative Area Manpower Planning System to the fullest extent. Advisory committees should be representative of all major interested groups, including organized labor.

8. The Congress should immediately enact legislation proposed by Representative James G. O'Hara, H.R. 11620, which recognizes the urgent needs of America's disadvantaged and minority groups and most nearly meets the standards for an effective and comprehensive national manpower policy.

The Human Resources Development Institute

The federal government, over the past several years, has substantially expanded its manpower activities. These programs are directed at the disadvantaged, the hard-to-employ, the unemployed and the under-employed. They are intended to train and in other ways prepare these workers for regular employment in the competitive job market.

Organized labor has supported the federal government's efforts in the manpower field and through its own channels has developed training and placement programs designed to help the disadvantaged prepare for and be placed in good jobs at decent wages.

Recognizing the need for developing even greater program participation among labor unions at the community level, the

AFL-CIO Executive Council created the Human Resources Development Institute (HRDI). The objectives of the HRDI are basically the following:

1. To mobilize and use the sources of skilled talent and experience within the labor movement to plan, develop and operate manpower programs for disadvantaged unemployed and for youth, with emphasis on developing necessary support services to obtain and maintain good jobs at decent pay for such workers.

2. To develop programs through the labor movement which are specifically designed to reach into the minority community in order to provide the necessary assistance and training to prepare minority groups and other disadvantaged youth to enter apprenticeship and other desirable skill training.

3. To establish special programs to be operated jointly by the labor movement, employers, and employer organizations, in cooperation with minority groups, to place in part-time, up-grading training programs, disadvantaged under-employed workers who have some skill and experience for higher-skilled occupations.

4. To develop union participation in overcoming problems arising in the course of the JOBS (Job Opportunities in the Business Sector) Program.

5. To work with Model Cities Administrations in the development of programs to train target area residents, in cooperation with the local trade unions, employer organizations, minority groups, and government agencies in neighborhood rehabilitation and new construction programs.

6. To bring about, within the labor movement—through its officers, members, and their employers—an awareness and understanding of the problems of the hard-core unemployed and disadvantaged youth in order to provide meaningful job opportunities with career progression.

The HRDI, with assistance from the U.S. Department of Labor, has established offices in fifty major cities and is effectively carrying forward the goals outlined above.

In the brief span of ten months, the HRDI staff has become deeply involved in various manpower programs activities. Local HRDI staff have cooperated in the Summer Youth Employment Program, they have given substantial support to Apprenticeship Outreach programs, they participate on Model Cities Manpower Committees, they have developed new on-the-job training programs with local unions as sponsors, they have trained "Bud-dies" to assist those newly hired under the NAB/JOBS program to adjust to the job, they have developed Model Cities agreements related to the use of local manpower in the construction and rehabilitation phase of the Model Cities program. All activi-

ties carried forward by Local HRDI staff are closely related to AFL-CIO local, central bodies. Therefore, be it.

RESOLVED: 1. This Convention commends the action of the AFL-CIO Executive Council in establishing the HRDI.

2. We direct HRDI to continue to develop and if possible, expand its present program so that more communities and their disadvantaged unemployed can be helped through the channels provided by HRDI to utilize the available manpower services and resources provided by the federal government.

3. We urge HRDI to continue to push for maximum involvement of unions and union members in manpower programs, and to use the knowledge and experience of the labor movement to develop new and innovative programs for the training and placement of the hard-core unemployed, as well as for programs to upgrade those who are currently employed at entry-level jobs.

Women Workers

Nearly 31 million working women play an important part in the nation's labor force. Organized labor, with about 4 million women in its ranks, has traditionally sought to protect and promote the interests of women workers, to eliminate discrimination on the job and to be responsive to the special needs of women workers carrying the double responsibilities of job and home.

The labor movement has historically promoted the interests of women through trade union objectives of raising wages, shortening working hours, promoting job security, and improving the conditions of work. Particular needs and aspirations of women workers have been recognized in efforts to eliminate job discrimination, to obtain full enforcement of equal pay for equal work and to secure enlightened public policy in the fields of labor standards legislation, education and training, social benefit programs and taxation.

A continuing major concern of working mothers is the need for expanded provision of day-care facilities and more adequate federal income tax deductions for women who must pay for child-care services at their own expense in order to work.

Heightened emphasis on equal employment opportunity for women under Title VII of the Civil Rights Act has placed special strains on the long-standing state protective labor laws for women. These laws have traditionally had the support of organized labor and of women's groups concerned to prevent the exploitation of female workers, concentrated in low paying jobs and in unorganized industries.

The Equal Employment Opportunity Commission has recently issued an opinion that state laws which "prohibit or limit" the employment of women are in conflict with Title VII. Such laws include, but are not limited to such protective legislation as occupational prohibitions, maximum hours, night work, and weight-lifting.

We regard the EEOC position as too sweeping, in that it applies to reasonable limits as well as unreasonable ones, fails to recognize the interests of women who rely upon such laws as a protection against employers, and ignores the needs of those women workers for whom alternative forms of protection either by public law or union contract are not available. Until adequate protection for all workers can be secured under general legislation, reasonable legal safeguards should be available for those women who are most in need of them. Therefore, be it

RESOLVED: Trade unions should expand their efforts to organize the unorganized among women workers, to design programs that reflect the interests of women workers, and to encourage more women to participate fully in union activities and policy-making, as many outstanding women are now doing.

All possible steps should be taken to expand the availability of day-care centers. Federal law should be amended to permit employer contributions to trust funds established under collective bargaining for day-care centers. States should be encouraged to take advantage of federal funds now available to them under the Social Security Act. Federal funds should be appropriated so that public or non-profit agencies, including trade unions, can be enabled to operate day-care centers.

We urge liberalized tax deductions for child care-expenses of women workers, under federal income tax provisions.

We support equal pay and equal employment opportunities for women, adequate maternity leave and benefit plans, and expanded educational and training programs in which women can upgrade their job qualifications.

We call upon the Equal Employment Opportunity Commission, as well as the courts and legislatures, to seek reconciliation of conflicts between Title VII and women's state labor laws, without abandonment of necessary safeguards. We urge appropriate extensions of the benefits of women's labor legislation to men and the enactment of improved federal wage-hour legislation for both sexes.

We continue our opposition to the long-pending Equal Rights Amendment to the Constitution because of its potentially destructive impact on women's labor legislation.

Natural Resources

For more than a decade, the AFL-CIO has called attention to the increasing seriousness of America's natural resources situation. While some progress has been made and legislation enacted, problems of both supply and quality continue to outstrip the measures and resources applied to deal with them.

We want our natural resources developed, managed and conserved for the long-range good of all Americans. Once again we call for a comprehensive natural resources policy, integrated with a full-employment economic policy and the goal of preserving the quality of the physical environment.

We believe that the federal government, acting in response to the urgings of its citizens must provide the necessary plans, organization and a large part of the capital in the natural resources field.

We believe that waste and duplication among federal agencies must be eliminated. Regional comprehensive planning and development agencies, based on the TVA concept, must be created to bring the federal government, state and local governments into cooperative efforts and to work closely with the people of the regions; Therefore, be it Resolved:

Water Development

We urge orderly planning and multi-purpose development of water resources by means of regional programs. Such plans must consider control and storage of both the surface and the underground resources, re-evaluation of the priority of water uses, and evaluation of the benefits of exchanging water between river basins.

We strongly oppose the President's order to cut scheduled new starts on water development projects.

We support the necessary research and development efforts to conserve the marine environment, in connection with the rapid movement toward development and use of the vast resources of the oceans.

The Land Resource

Planning for urban land use must provide needed space for parks, low- and middle-income housing, schools, hospitals, recreation and other public facilities. Inter-governmental institutions must be developed to achieve the best use of urban space in metropolitan areas. An effective land policy must be developed to curb ruinous land speculation and curtail the escalating price of land.

The AFL-CIO continues to support comprehensive and strengthened soil conservation and reclamation programs, particularly in strip mining, farm and suburban areas.

We support programs to provide future Americans with the forest products they will require, and to enable them to use national, state and private forest land for public recreational enjoyment, soil and water conservation and protection of wildlife. Such programs include more intensive sustained yield forest management, and increased production by smaller private holders the control 60% of U.S. commercial forest land.

We urge adequate appropriations and long-range planning by federal, state and local governments to acquire land for recreation, particularly in and around urban areas, and to take steps to prevent speculation. We also urge expansion of the federal national park system.

The Federal Public Domain

The resource deterioration of the 180 million acres of residual public domain land in the western states and the threats to the 270 million acres in Alaska are the result of outdated laws.

This situation calls for modern legislation and programs to provide stable, productive tenure and management in the natural interest of these valuable lands which belong to all Americans. The report and recommendations of the Congressionally-created Public Lands Law Review, due in 1979, should provide the basis for informed public debate on the proper measures to be taken.

Alaska

Alaska is now faced with a problem of giant magnitude as a result of the immense oil discoveries on the Arctic North Slope, in an area of the world's most magnificent wilderness. What is needed is a national program, with strict environmental controls, enabling the state to grow economically, without utterly destroying the natural environment. Economic development, conservation and justice for Alaska's Eskimos and Indians must proceed hand-in-hand, in setting the native claims now before the Congress of the United States. Such settlement should embrace freedom of choice for the natives as to their assimilation, ample cash payments, subsistence rights, and protection against alienation of their equity.

Electric Power

The AFL-CIO, since 1959, has urged legislation which would assure the nation of a low-cost, reliable built power supply, under strict regulation in the public and consumer interest. The need for such legislation is no better shown than by a succession of

major and minor power blackouts since 1965, and the critical lack of reserves faced by electric utilities this summer. We therefore endorse, once again, the general goals of the proposed Electric Power Reliability Act, now awaiting action by the Congress and urge that it be strengthened to achieve the goal of lower consumers' power bills.

Federal Power Commission regulatory controls over interstate wholesale power transactions must be expanded. Federal and non-federal public power yardsticks are indispensable to reasonable electric rates.

We urge that our state and local bodies work with other consumer groups and with state legislatures to modernize and strengthen state utility regulatory commissions in order to achieve fair and equitable rates to utility consumer.

We support legislation establishing a federal Utilities Consumer Counsel, in order that the rights and equities of rate payers may be adequately represented before federal and state utilities regulatory commissions.

We urge legislation among the various states enabling all utility workers, regardless of the type of utility ownership, to achieve the same kind of bargaining rights accorded to industrial workers in general. We also urge that the federal government, in new or amended wholesale power contracts with utilities, provide language protecting the rights of workers to bargain collectively with management through unions of their choice.

Shale Oil

We continue to endorse a long-range oil shale development policy which will establish an orderly multiple-use program on federal oil shale lands to develop economically competitive and feasible methods of processing oil shale and other intermixed minerals, to foster the development of a competitive oil shale industry, to protect the environment affected by such programs, to help provide abundant supplies of low-cost petroleum products to the American consumer, to safeguard leasing arrangements against monopoly and to use revenues from any leasing program to assist in financing federal public sector programs.

Protections Against Monopoly in Natural Resources

We call for preservation and strengthening of historical federal safeguards against monopoly in the natural resources field, including priority in the sale of federally generated wholesale power to public groups, the protections found in the Federal Power, Natural Gas, and Public Utilities Holding Company

Acts, and the excess acreage provisions of federal reclamation laws.

We urge the Congress to investigate the decline in competition and increasing control by a few giant integrated corporations of major energy sources, in particular, oil, oil shale and uranium.

Minerals

We continue to support an integrated national minerals, raw materials and energy policy which would be stimulated by a needed updating of the President's Materials Policy Commission Report of 1952.

Atomic Energy

We are vitally concerned with the development of atomic energy, as workers and as American citizens. With its vast potential, atomic energy is one of the keys to the great expansion of energy resources that is needed to lift the living standards of a growing population. However, the development and spread of atomic operations also contains exposure hazards, which require protective safeguards.

The future of nuclear power is at the crossroads. Construction costs and generating costs, are exceeding estimates. The coal industry is attacking further federal subsidies. The present generation of water reactors place excessive demands on a limited uranium resource. Finding proper sites for huge nuclear-fueled power reactors is complicated by serious problems of land use, water supply, thermal pollution, disposal of radioactive wastes. Therefore, be it

RESOLVED: Such issues as cost, uranium supply and pollution can only be resolved by balancing the nation's expanding future needs for electric power with development of nuclear reactors which will conserve a limited uranium resource and be so located, designed and operated to prevent pollution of the environment.

We urge that the Atomic Energy Commission be authorized to expand its program to develop breeder reactors and to determine the feasibility of obtaining sustained energy from the fusion of the heavy hydrogen atom. The success of such programs will also bring closer the realization of feasible desalinization of water by nuclear power.

We oppose any legislation transferring control of the AEC's Plowshare Program of low-yield underground explosions for peaceful uses to private industry, until and unless the major

problems of environmental effects, social and economic implications have been more adequately assessed.

We oppose the sale to private industry of AEC's gaseous diffusion plants in Tennessee, Kentucky and Ohio, which are now operated under contract with the Commission. These plants, which cost \$2.3 billion to get into operation, enrich natural uranium for production of weapons, reactor fuels and isotopes used by industry, agriculture, medicine and research. The sale of these plants to private industry, probably at a fraction of their present value, could result in higher power costs to consumers, lessen competition in the nuclear field, and be inimical to our national security.

We endorse legislation which would establish guidelines governing the issuance of licenses to construct and operate nuclear power plants—to enable all utilities to participate in such development, to safeguard worker and public health and safety, to protect the air, land and water from discharge of heat and radioactive wastes and to meet the needs of power-short areas of the country.

We endorse continuation of the Labor-Management Advisory Committee to the Atomic Energy Commission as a means of bringing problems of mutual concern to the attention of the Commission.

Occupational Safety and Health

The AFL-CIO continues to call attention to the urgent need for the protection of American workers from job-related deaths, injuries and illnesses as a matter of national responsibility.

Available information indicates that 1969 was still another year of increases in occupational deaths and injuries—14,300 deaths, 2.2 million permanent and temporary injuries. If there were adequate national reporting of occupational deaths, illnesses and injuries, the present picture, shocking though it is, probably would be twice as bad as it now appears. However no one clearly knows the implications to human health, as industrial technology adds to the list of known toxic chemicals and materials, threatening workers each day on the job.

For many years, the AFL-CIO has urged adoption of federal occupational health and safety legislation—designed to mobilize the resources of the federal and state governments, labor management and the medical and health professions to mount a coordinated attack, backed by the necessary money and manpower resources, to eliminate or control the hazards of the workplace.

For the first time in the history of the Republic, such legislation was proposed last year by the previous administration. These were killed by some business groups, through the use of vicious and misleading propaganda. In the 91st Congress, stronger bills have been introduced in both the House and Senate. The Nixon Administration has also submitted a special presidential message and a proposed bill, which is pending in both houses of the Congress. Therefore, be it

RESOLVED: Organized labor strongly urges the Congress to adopt legislation to:

1. Empower the Secretary of Labor to promulgate, develop and enforce standards governing occupational safety and health. In so doing, he should use, wherever desirable, the total resources of the private standards-producing community, but also be empowered to use existing and develop new federal standards.
 2. Provide a stronger role for the Department of Health, Education and Welfare, not only to develop criteria, but also occupational health standards, aided by creation of a statutory Occupational Health Center.
 3. Provide for strong federal inspection, enforcement and penalty provisions, but with hearings procedures and court review for aggrieved persons affected by their application.
 4. Provide effective federal guidelines for proposed state occupational safety and health plans as a condition for federal planning and operational grants-in-aid. The Secretary of HEW should be given authority to evaluate such proposed state plans dealing with occupational health and carry out federal auditing of such programs, including the power to withdraw approval, if they fail to adhere to federal criteria.
 5. Provide coverage of all workers, non-agricultural and agricultural, as well as employees of the federal and state governments.
 6. Provide for creation of permanent coordinating machinery whereby the Secretary of Labor and HEW would work closely together and fully utilize their joint resources to carry out their responsibilities with a minimum of duplication, and to coordinate the other occupational safety and health responsibilities reposing elsewhere within the federal government.
- With regard to the proposed legislation now pending before the Congress, the bills introduced by Rep. James O'Hara and Senator Harrison Williams constitute a sound program requiring a minimum of strengthening amendments. We therefore endorse the O'Hara-Williams bills and urge enactment by the 91st Congress. Such a program, adequately funded and staffed, will constitute the first decisive step toward the ultimate achievement of a safe and healthy place of employment for every American working man and woman.

The Secretary of HEW should participate in the designation of membership of a National Advisory Committee on Occupational Safety and Health. Such a committee should include representation of organized labor.

We call for a coordinated, intensive AFL-CIO education program, to reach all union members and the general public as well, on job-related health and safety hazards. This program should include support for scientific research applicable to the most serious health and safety hazards faced by our workers.

We urge the President to call a White House Conference on Occupational Safety and Health, with adequate participation by international unions affiliated with the AFL-CIO.

Air and Water Pollution

Americans are entering the 1970s with the widening recognition that our industrial and technical accomplishments carry with them a terrible price—the deterioration of our physical environment.

The silent threat of air pollution is the greatest danger. It darkens our skies, burns our eyes, blackens our lungs, corrodes metal, kills trees and crops, dirties our homes, lowers visibility. Each year 142 million tons of chemicals and particles are belched into the air by automobiles, home heating, industry and burning of solid wastes.

The streams, rivers, lakes and estuaries of our nation are all polluted, in varying degrees, from municipal and industrial wastes, pesticides, fertilizers, heat from power generation and radioactive wastes. Lake Erie is rapidly dying; the other Great Lakes are threatened with the same fate. Water supply in the great metropolitan areas of the nation is threatened. More than 2,600 communities still discharge raw sewage into our waters. Hundreds of towns and cities supply domestic water below U.S. Public Health Service sanitary standards.

Even though the Clean Water Restoration Act of 1966 and the Air Quality Act of 1967 provided the beginnings of a national attack on these twin dangers, we are continuing to lose the battle against air and water pollution and the turning point is not in sight.

One of the major problems is the huge investment costs of the physical facilities and devices required to treat water wastes and control air pollution. Without strong standards firmly enforced, however, money alone will not change matters for the better.

The limits of the American people's tolerance for foot-dragging by government and private industry are being reached. The future well-being of the people of this nation depends on how well this challenge to our environment is met in the 1970s. Therefore, let it

RESOLVED:

A. Creation of an Over-all Environmental Policy.

The AFL-CIO has actively and vigorously supported programs to upgrade our environment—wilderness, national parks, air and water pollution and solid wastes.

We endorse proposed legislation to create a Committee of Environmental Advisers to recommend means of achieving a sound and sane balance between resource utilization and misuse that would produce adverse environmental effects. The President's recently created cabinet-level Environmental Quality Council is no adequate substitute for a statutory program, administered by a specific government agency directed to carry out Congressional policies. We recommend consideration be given to the establishment of a Joint Congressional Committee on the Environment to focus on the entire issue.

B. Control of Water Pollution.

1. We urge the Congress to restore the full \$1 billion authorized for federal grants-in-aid to localities during fiscal year 1970 for sewage treatment plants. The Administration has requested only \$214 million for this purpose, in the face of pending requests from the nation's communities for such grants totaling \$5.1 billion.

We also urge Congress to amend the Clean Water Restoration Act to increase the federal commitment in grants-in-aid to communities beginning with fiscal year 1971.

2. We support amendments to the Clean Water Restoration Act of 1966 which would empower the Secretary of the Interior to impose stronger rules over the location and type of municipal sewage treatment plants, to intervene on serious pollution situations, without waiting for the state to make the first move.

3. We support the Oil Pollution Act in the form that it was reported by the Senate Public Works Committee. This legislation requires certification by anyone applying for a federal license or permit to build installations affecting water quality, and stronger provisions requiring federal agencies to comply with state or federal water quality standards.

4. We urge the Secretary of the Interior to act in the case of the thirty states which have failed to adopt water quality standards that would halt further deterioration. The federal government, under the Act, should step in and set the standards.

5. We oppose levying of effluent taxes on industrial wastes. This merely constitutes a license to pollute.

C. Air Pollution

1. We once again urge the Congress to adopt amendments to the 1967 Clean Air Act directing the Secretary of HEW to set national emission standards on all forms of air pollutants without delay.

2. In 1969, a half dozen states have blocked out effective citizen participation in air quality standards by inadequate notice, last minute changes in the standards, and obscure language. We urge the Commission of HEW's National Air Pollution Control Administration to issue rules which will require each state to provide adequate public notice, in understandable terms, before conducting hearings on proposed air quality standards.

3. Federal enforcement procedures need strengthening by amending the Clean Air Act of 1967 to reduce the time limits for compliance.

4. The greatest single contributor to air pollution is the automobile—producing 86 million tons of pollutants or 60 percent of the nation's total annual air pollution. Despite pollution controls required on new vehicles, the continuing increase in their number will increase air pollution in the next decade.

We therefore urge amendment of the Clean Air Act of 1967 to direct the federal government to limit its purchase of automobiles to models with low emission of pollutants, and to direct the Department of HEW to undertake an expanded research and development program, in cooperation with other federal agencies, to produce pollution-free alternatives to internal combustion-fueled vehicles.

5. We commend the increasing action by AFL-CIO affiliates in effectively participating in local and regional efforts to establish strong air pollution control progress and urge the expansion of such participation.

Auto Air Pollution

The internal combustion powered motor vehicle is the nation's greatest threat to its precious and irreplaceable air resource. One hundred and ten million cars, trucks and buses emit about 50 percent of the total volume of pollutants released into the atmosphere each year. This pollution is linked to such diseases as cancer and emphysema and causes \$13 billion worth of property damage each year.

While every American city is faced, to some degree, with air pollution, in Southern California automotive vehicles contribute 46 percent of the total pollution belched into the air. In a single year, doctors advised 10,000 people to leave Los Angeles because of the harmful effects of air pollution.

The direct causal relationship between high levels of pollutants emitted by motor vehicles and illnesses and even deaths, has been definitely established.

For many years, efforts by state governments and the federal government to control air pollution have met with a wall of opposition thrown up by the major automobile manufacturers.

For 16 years, the giants of the auto industry and their trade association have conspired to delay and obstruct the development and installation of pollution control devices on motor vehicles.

In 1966, a federal grand jury in Los Angeles uncovered the criminally conspiratorial nature of this opposition. The Johnson Administration filed an anti-trust suit against the auto industry's "big four"—General Motors, Ford, Chrysler and American Motor Company—charging them with specific acts of conspiracy as far back as 1953 and in 1961, 1962-63 and 1964.

But this year, the Nixon Administration, after secret negotiations, agreed to a consent decree—an out-of-court settlement in which the manufacturers would escape punishment for all past and present actions, but would promise not to conspire in the future.

It is an anomaly that this Administration urges stern measures against individual law breakers and allows corporate crime to go unpunished.

The public statements by Attorney General Mitchell, and other administration spokesmen, amount to nothing more than a cover-up of favored treatment being given to the auto industry.

The Administration is not trust busting; it is window dressing with the consent decree.

However, the decree must be accepted by the Federal District Court in Los Angeles before it becomes final. Judge Jesse E. Curtis has invited the views of all interested persons and public bodies before he approves or disapproves of the consent decree.

Other groups already are making their views known in this case, which may become a legal watershed toward a mutual goal of promoting effective consumer protection for all Americans. Many members of Congress, the County of Los Angeles, the County of San Bernardino, the California Attorney General, and

the City of New York are all seeking an open trial in the cause of the public interest and justice.

If the decree is accepted, the federal grand jury's records would be sealed forever, because of a section of the Clayton Anti-trust Act which provides that consent decrees deprive parties injured by illegal conduct from statutory remedy.

The consent decree, therefore, would make it impossible for individuals or municipalities to bring damage suits against the auto makers.

The Administration's handling of this case of the auto industry's conspiracy against air pollution control stands in marked contrast to the electrical equipment manufacturers price-fixing case a few years ago. Then the gaints were brought to the bar of justice and found in violation of the anti-trust laws. Corporate officials were fined and given jail sentences. Those who had been cheated and victimized were able to file damage suits and hundreds of millions of dollars were collected from the companies.

Surely enough is known about the effects of automotive air pollution to have given the Administration pause in allowing the United States to enter into a consent decree. This is particularly true in this case, where the proposed decree would prevent the public and even the Congress from access to the evidence, which should be aired in a court of law and provide the basis for remedial action, including legislation.

The stakes in the air pollution conspiracy and the Administration consent decree involve tax expenditures for air pollution control programs, property damage, the health and, in some cases, the very lives of thousands of Americans. Therefore, be it

RESOLVED: 1. The AFL-CIO reaffirms its long standing belief that a precious ingredient of our Constitution is that it extends justice to the great and small alike.

2. The AFL-CIO condemns the Attorney General and the Administration for their failure to deal effectively with a demonstrated conspiracy by the major car makers to suppress competition in the field of automotive anti-pollution devices, which raises a serious question as to the sincerity of their many statements supporting "law and order."

3. The AFL-CIO urges the Attorney General to withdraw from the proposed consent decree and seek a criminal indictment against the major automobile manufacturers and their trade association, so that sealed evidence will not become a barrier to remedial action, legislation and justice.

4. Since the federal district court has set a deadline of October 3 for submitting views on the issue, the Eighth AFL-CIO Constitutional Convention in adopting this resolution, directs that

to be transmitted forthwith to the Clerk of the Court, Central District of California, U.S. District Court, Los Angeles, California so that the official policy of the American Federation of Labor and Congress of Industrial Organizations may be considered by the Court.

Minimum Wage

The major purpose of the Fair Labor Standards Act, as outlined in its Declaration of Policy, is to correct and as rapidly as practicable to eliminate labor conditions "detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers."

To fulfill the intent of FLSA, it has been necessary to increase the floor under wages as the cost of living, "necessary for health, efficiency and general well-being of workers," has increased over time since the Act was first adopted. An increase in the federal minimum wage to \$2 an hour is needed immediately.

In addition, the Fair Labor Standards Act, still excludes over 13 million working men and women from its protection. Many of these workers are among the poorest-paid and most exploited in our society. The law's coverage must be extended to these workers to guarantee them protection from poverty wages.

Over half of the poor, according to the government's definition of poverty, are in families headed by a worker in the labor force—low-wage, unemployed or part-time workers. About one-third of the poor are in families, headed by a full-time, year-round worker, whose wages are so low that his family is impoverished.

In addition to the basic requirement of full employment, the working poor urgently need revision of the Fair Labor Standards Act. They need the protection of this law and an improved minimum wage that will increase the earnings they receive for their working efforts.

The responsibility of providing a "living wage" to workers lies not with the taxpayers, but with the employers who benefit from the work of their employees. The "working poor" are not looking for handouts. Rather, they seek a wage which provides at least a minimum level of living.

The inadequacy of the present \$1.60 an hour minimum wage is clear, in the face of present living costs.

A recent Department of Labor report shows that it costs \$6,000 a year to maintain an urban family of four at a lower than "modest but adequate" standard of living. While a \$2.00 an hour

minimum wage will not reach that level even for a full-time year-round worker, it would update the outmoded \$1.60 minimum and bring such worker somewhat above the government-defined poverty line.

There are two bills before the Congress H.R. 10948 introduced by Representative Dent of Pennsylvania and S.2070 introduced by Senator Williams of New Jersey—which would raise the minimum to \$2.00 an hour and extend coverage to most workers still denied FLSA protection.

However, while Congress is considering this minimum-wage improvement, some Administration officials are advancing the motion of a sub-minimum wage for youth, which would undercut the wages of adult workers and set a lower rate of pay for the same work—based not upon the job and work performed, but upon the age of the worker.

In the case of Puerto Rico, Virgin Islands and American Samoa, for which special minimum wage determination provisions have been written into the Act, we believe the best interests of all workers would be served by narrowing the gap between the wage standards for these islands and mainland minimum wages as rapidly as possible.

The unchecked rise in living costs may soon make even a \$2.00 minimum obsolete. Continuation of the rise in the cost-of-living will lead to a need for a minimum of \$2.50 an hour.

Immediate action by Congress to improve the Fair Labor Standards Act is urgently needed by America's low-wage workers and their families. Such action would represent the strongest single step in the nation's effort to eliminate poverty. Therefore be it

RESOLVED: We call upon Congress to immediately enact H.R. 10948 and S.2070—to extend Fair Labor Standards Act coverage to millions of workers still denied such protection and to increase the federal minimum wage to \$2 an hour. Comparable increases in the minimum wage would be provided in Puerto Rico, Virgin Islands and American Samoa.

We oppose any sub-minimum wage based on the age of the worker.

Reduction in Working Hours

The reduction of worktime has been a long-time goal of unions. This goal continues, as we prepare for the 1970s. We shall seek reduced schedules of working hours, additional paid holidays, longer vacations, sabbatical leaves, early retirement and similar

provisions—to increase leisure and improve the quality of life of working men and women, while also creating additional job opportunities.

Furthermore, the overtime premium rate of time and one-half is no longer an effective deterrent to long overtime hours. With the growth of fringe benefits that are exempt from overtime requirements, this premium serves as less of a deterrent than it did when first established in 1938 under the Fair Labor Standards Act. In order to discourage employers from scheduling considerable overtime, the premium should be raised to double time. Therefore, be it

RESOLVED: We reaffirm our traditional support for reducing hours of work.

We reiterate the position taken by the 1967 Convention, in support of legislation for a 35-hour workweek and double time for overtime.

Furthermore we urge the incoming Executive Council of the AFL-CIO to examine the many aspects of reducing working time and increasing leisure.

Enforcement of FLSA

Nearly a half-million workers were underpaid approximately \$90 million in the past fiscal year, according to Wage-Hour investigative findings—violations of minimum wage, overtime and equal pay requirements of the Fair Labor Standards Act. Yet only about one-third of these underpayments have been recovered. Furthermore, it is estimated that only one-half of the actual violations have been uncovered by Wage-Hour investigations.

Improvements in the law, adopted in 1966, have expanded the volume of potential chiselling and have enormously enlarged the enforcement task. The 1966 Amendments expanded worker coverage from 32.3 million workers to 41.4 million—an increase of 28%. Establishments covered by the law increased from 1.2 million to 1.9 million, up more than 50%. If the Labor Department's Wage-Hour staff is not expanded, only 3% of the covered establishments will be visited annually.

In addition to the problem of too few investigators, there are some in government who would give these Wage-Hour investigators an additional mixture of responsibilities, further diluting their ability to enforce the Fair Labor Standards Act.

Effective enforcement of FLSA is the key to fulfillment of the promise it holds for low-paid workers.

To provide much-needed aid for low-wage workers—whether or not they are union members—the AFL-CIO has asked each state and local central body to take action on its own initiative to see that workers covered by the Act obtain their rights under the Act. President Meany asked central bodies to set up Wage-Hour enforcement committees to assist workers in seeking prompt government action on complaints of FLSA violations. Central bodies have been diligent in this work.

We commend AFL-CIO state and local central bodies for helping to bring about better enforcement of minimum wage, maximum hour, child labor, and equal pay provisions of the Fair Labor Standards Act and urge affiliated unions and central bodies to continue this assistance to low-wage workers. However, much more needs to be done. Therefore be it.

RESOLVED: The AFL-CIO calls on the Congress to appropriate the increased funds needed to meet the enlarged problems of FLSA enforcement.

We urge the Secretary of Labor to pursue effective enforcement of the Act through an adequately staffed Wage-Hour Division whose functions are not diluted by a mixture of varied responsibilities.

Household Workers

Today there are more than 2½ million women who work as domestics receiving an average annual wage of \$1,300. Forty percent of the women are heads of households.

These workers have few of the benefits accorded by law to workers in industry, such as protection under the Fair Labor Standards Act, workmen's compensation and unemployment insurance. Payments for social security are haphazard. Nor do these workers generally enjoy any of the basic fringe benefits, such as sick leave, paid vacations, and coverage for health and hospital insurance.

Frequently, women from rural areas are lured to the cities by attractive job offers, only to find that there are no jobs or the available jobs are extremely low-paid drudgery. Private employment agencies which, to a large extent, are responsible for bringing many of these women to the cities, exploit the situation in which these women find themselves. They offer no services to help the in-migrant in relocation or they charge for services which are readily available at no cost through community agencies.

A frequent practice of these employment agencies is to charge the applicant an exorbitant fee for job placement. The recruit-

ing practices of many of the private employment agencies are frequently misleading about the wages, hours and working conditions, without indicating the fees which will be deducted by the agency.

In addition, women from foreign countries are permitted to enter this country under the Immigration and Nationality Act to work as household workers. Once in this country such workers find themselves entirely on their own with few legal protections and almost completely dependent on their employers. In such an unequal relationship it is inevitable that these workers are frequently subjected to exploitation. Therefore be it

RESOLVED: 1. We call the attention of the Congress to the plight of the domestic worker and of the exploitation of these workers by employment agencies and employers.

2. We urge the Congress to enact legislation to protect domestic workers against the predatory practices of those private employment agencies which operate across state lines.

3. We urge Congress to investigate the importation of aliens for household service and to enact such legislation as may be necessary to protect such individuals against employers who do not provide adequate housing, pay or working conditions for such workers.

4. We urge wherever possible that communities develop non-profit cooperative employment agencies for household workers.

Rural America

American agriculture produces the greatest abundance of food and farm products the world has ever known. Yet nearly one-half of all impoverished people in the country live in rural areas, according to government estimates.

Rapidly rising agricultural productivity has resulted in skyrocketing agricultural output, displacing several million marginal farmers, with resultant economic distress in many rural farm communities. In the past quarter of a century this process has also accelerated the stream of city-bound migrants, particularly from the South and Southwest.

In addition, rural poverty characterizes the Appalachian region and other areas, where mineral and other resources are exhausted or no longer in demand. Poverty also characterizes Indian reservations and sections of the arid Southwest. Poor living conditions are the hallmark of those who work for wages in agriculture: indeed, farm workers are among the most exploited members of the work-force.

The decade of the 1960's has seen increased public awareness of the paradox of rural poverty in the midst of rural abundance.

This decade of the 1960's has witnessed the unprecedented growth of farm workers organization, the end of the Bracero program, minimum wage coverage for some farm workers, general recognition of the plight of the deprived farm worker, increased net income of farm enterprises and programs to stimulate job creation in Appalachia and other rural distressed areas.

But changes in rural America have been moving at a rapid pace. Corporate agro-business and large farms—with modern technology and rising productivity—are changing the rural scene. In 1959, there were 4 million farms. Today, there are only some 3 million and the 300,000 largest farms account for nearly two-thirds of total agricultural sales. Less than 5 percent of the nation's labor force produces more food and fibre than Americans can consume.

In the face of these rapid changes, existing public programs need re-evaluation and overhauling. While much is being done to enrich the prosperous few in commercial agriculture, too little aid is reaching those most in need in rural America. For example:

Farm income support programs provide large federal subsidies for profitable agro-business type farms, often owned by corporations and absentees.

Loopholes in the tax structure provide financial assistance to wealthy hobby-farmers, who use their ownership of agricultural assets as tax shelters.

Yet there is no comprehensive program for the retraining and re-employment of those displaced from agriculture.

While rural redevelopment plans have been enacted to counter the decay of many small rural towns that have lost their economic base, the resources appropriated are still too scant to meet the needs of such depressed communities.

AFL-CIO's support for a major national effort to aid rural Americans reflects our belief that rural people deserve to share equitably in the economy's progress. It is also based on the evident fact that solving the urban crisis partly depends on ability to improve living standards in rural areas. Therefore, be it

RESOLVED: 1. We recognize that the unique problems of agriculture require government aid to help many farmers obtain a fair return for their production. However, a reasonable ceiling should be placed on the amount of federal aid paid to any farm. Excessive payments to large and profitable farm enterprises cannot be justified.

2. Since most farmers must sell their products in markets dominated by a few buyers who enjoy superior bargaining power, we support appropriate efforts by farmers to bargain collectively for a reasonable price. By this means, dependence on government income-maintenance outlays should be reduced.

3. We urge Congress to enact the tax loophole-closing proposal of S.500, introduced by Senator Metcalf and endorsed by a bipartisan group of 26 Senators, to end this special benefit to the tax-loss hobby farmers, while assuring that legitimate farm operators will not be penalized.

4. The denial to farm workers of protection, long accorded other workers under federal and state laws, must end. Farm workers must be included in the coverage of the National Labor Relations Act, the Fair Labor Standards Act, state unemployment and workmen's compensation laws and other federal and state protective and social welfare legislation.

5. Special programs must be developed to provide rural inhabitants, and especially migratory workers and their families, with adequate education and library facilities, the opportunity of decent housing, health-care facilities and day-care centers.

6. Continued failure to adequately cope with the ill-health, malnutrition, and even hunger in rural areas is not tolerable. A federal welfare system is essential or, at least, adoption of adequate minimum federal welfare standards, with sufficient federal financing. Food distribution programs must be federally administered wherever states and local communities refuse to cooperate and they should be dedicated to meeting human needs.

7. To encourage job creation and improve the quality of rural life, the AFL-CIO supports expansion of the approach of the Appalachia regional program, the Economic Development Act and other federal programs to accelerate the building of highways, hospitals, schools, housing, manpower training and other community betterment projects in rural America.

8. Discrimination against minority groups must be ended.

9. We urge the initiation of a federally supported public-service employment program to create useful jobs for the hard-core unemployed and seriously under-employed in rural, as well as urban areas. Such a program would engage the unemployed at useful tasks, restore self-respect and teach useful skills.

Farm Workers

Ten years ago, the AFL-CIO launched a broad farm labor organizational effort, concentrated in the central and southern

valleys of California. Its initial purpose was not to bring dues-paying membership into a structured union form, but instead was designed primarily to introduce field workers to the principles of trade unionism and the processes of collective bargaining. Emphasis was kept constantly on the development of indigenous leadership. It was hoped that the activity generated by the program would have a beneficial impact on wages and conditions in the fields, as well as providing an additional base of active support for the AFL-CIO's desire to bring an end to the infamous "Bracero" program.

The AFL-CIO continued the campaign and much of what was anticipated came to pass. Growers, eager to avoid organization, gave voluntary wage increases in hopes of taking the edge off field workers' union desires. As a consequence, hourly wage levels in agriculture climbed at a record pace. The year 1962 was the last year for the "Braceros." Leadership was developing and by September 1965, the aggressive trade union attitude of the farm workers there had developed to a point where the now-famous "Delano Grape Strike" started. Touched off by AFL-CIO's Agricultural Workers Organizing Committee, the strike was soon joined by the other farm worker organization in that area, an independent community service organization known as the National Farm Workers Association. Their close cooperation in that strike soon led to merger activities and in August 1966, AFL-CIO granted the joint organization a charter as the United Farm Workers Organizing Committee.

Within a year, they won campaigns and gained union contracts with some of the major grape growers of the nation. As UFWOC came into its first AFL-CIO Convention in 1967, its delegates could announce 11 contracts covering thousands of workers and providing standard union benefits and protection with a wage floor guaranteed to not go below \$1.80 with that minimum scheduled to go to \$2.00 within two years.

They told the convention of their early struggles and of their deep desire to take their place in the family of AFL-CIO unions and President George Meany told them, before a cheering convention . . . "We are with you and we are going to stay with you until you have a real union!"

The enthusiasm of that convention, as it joined him in that pledge, helped describe to the nation the determination of trade union leadership to help these AFL-CIO farm workers attain their organizational goals. The next year, 1968, brought new challenges to the fledgling union that called for the fullest measure of that support.

The wealthy owners of the vast vineyards of California which produce virtually all of this nation's table grapes, had taunted the UFWOC to strike. As organizational efforts on their farms

reached adequate points, UFWOC made requests for orderly procedures to determine the representation question. The growers ignored them. Third-party efforts were equally unproductive. The arrogant confidence of the growers was understandable as it then started.

Fields cleared of workers one day were re-populated the next day by non-resident alien strikebreakers brought in by bus and truck from the Mexican border. Called "Green-carders", because of the color of the visa they are able to use under an antiquated U. S. Immigration policy, they come from a Mexican economy where the U. S. minimum wage represents middle-class income. They are easy prey for the unscrupulous recruiting agents for the struck California vineyards.

The frustrating combination of circumstances which faces UFWOC is a government policy which denies them any orderly procedure for determining the question of representation, thereby inflicting the strike upon them as an inevitable organizational procedure. Hard upon this, they find another government policy, this one with respect to immigration, which minimizes the chance of a successful strike by permitting an endless stream of cheap-wage strikebreakers. It is little wonder that hardly before the echoes of the 1967 Convention had died away, UFWOC turned to its brothers in the trade union movement and to its friends throughout the nation to ask for support of a national boycott against California table grapes as the only effective organizational device remaining.

The story of the farm worker organizational effort from that day to this has been the story of a national boycott. The UFWOC has virtually decimated its California organizational manpower in order to send farmworker leadership into all of the major cities of this nation to promote and coordinate the boycott. AFL-CIO leadership throughout the nation has rallied behind this effort. Field staff assistance from National AFL-CIO staff is greater for the grape boycott than to any other national affiliate. Every element of the liberal progressive community has responded favorably to this great crusade.

Equally vigorous has been the enemy, the supporters of these backward growers who reject collective bargaining concepts that have long since become an accepted pattern for much of managerial America. The "radical right" has rallied great power and support. The National Right-to-Work Committee, the John Birch Society and the American Farm Bureau operate almost as one, where resistance to UFWOC is concerned. They have provided literature, propagandized over radio, television, and telephone, and have even taken to the anti-UFWOC picket lines. Every force that sees evil in the right of workers to organize has found delight in helping these grape owners.

The effect of the boycott has been substantial. Recent efforts to reach a negotiated settlement with a small group of growers representing a minority of the industry were unsuccessful. Veiled pressures from industry giants who still refuse bargaining procedures contributed greatly to the failure of those negotiations.

The National Boycott continues. The organizational challenge continues. The deep commitment of AFL-CIO unions to the cause of the farmworkers is more pronounced today than ever before. The reliance of their future on the help they must have from their brother and sister trade unionists is more critical today than ever before. Therefore be it

RESOLVED: The AFL-CIO once again commends the farmworker for his courage and perseverance in this great struggle and also commends the various organizations outside AFL-CIO who have aided farmworkers to continue their efforts on behalf of this, the youngest in the family of AFL-CIO.

This Convention calls upon every affiliate, every leader and every member to make the farmworker cause their cause, especially in regard to the national grape boycott with the goal of keeping fresh grapes off every union table and out of every union shopping basket.

The AFL-CIO continues to support the organizational efforts and collective bargaining programs of the farmworkers, while also supporting the legislative endeavors in Washington to bring them the coverage and protection of the National Labor Relations Act and improvements in the government's immigration policies.

The Flood of Business Mergers

The greatest flood of business mergers in American history has been rolling through the economy in recent years. Despite a tightened money supply, high interest rates and a decline in the stock market in 1969, the rise of business mergers continues unabated in 1969.

In 1966, large firms with assets greater than \$10 million which were acquired through mergers, had assets amounting to \$4.1 billion. By 1968, the assets in such merger acquisitions rose to \$12.6 billion and the Federal Trade Commission estimates that it may reach \$18 billion in 1969. Not only did the number of corporate mergers more than double in the two year period 1966-68, but these mergers involved increasingly large firms. In 1968, 74 of the 192 acquisitions of companies with assets of over \$10 million were made by firms among the nation's 200 largest companies. The top 200 manufacturing corporations

now hold 58% of the total assets of manufacturing corporations, compared to 48% only 20 years ago.

Along with mergers of industrial and mining corporations, there has been an increasing concentration of banking and its interlocking business connections. In 1967, a small group of 49 banks individually held 5 percent or more of the common stock in 147 of the 500 largest industrial corporations and had interlocking directorates with 286 of them.

These trends have brought a sharp increase in the concentration of economic power in the hands of the major corporations and the major banks.

They have also brought a vast expansion of conglomerate giants, which grow in all directions, in any industry or product line, no matter how unrelated.

The concern with business mergers and conglomerates is not because these firms are large. Serious questions of concern to all Americans involve possible impacts of the increasing concentration of business-ownership and control on prices, efficiency, inventiveness and on the entire society. Immediate issues of special concern for trade unionists involve plant shutdowns and the shift of decision-making in collective bargaining from the plant to distant headquarters where financial matters are the primary concern. Therefore be it

RESOLVED: 1. We call on the Congress to disallow corporate income tax deductions for interest on debt used to finance mergers and acquisitions. The Congress should also thoroughly examine the extent to which other provisions in the federal tax structure contribute to the trend of mergers and acquisitions.

2. We urge the government to enforce the penalty tax provisions applying to excessive amounts of retained profits.

3. The skyrocketing trend of business mergers requires a detailed examination by the Congress—including the need to strengthen the appropriate operations of the Justice Department, Federal Trade Commission and the Securities and Exchange Commission.

4. The Securities and Exchange Commission should require corporations to file economic and financial reports for major divisions, as well as for the firm as a whole—to provide essential information on the operations of conglomerates to the public, employees, investors and financial analysts.

5. Government efforts are needed to make banking more competitive and less interlocked with non-bank business interests.

Newspaper Antitrust Exemption

The U.S. Federal Courts, including the Supreme Court, have found the price-fixing, profit-pooling and market-splitting provisions of a joint publishing arrangement between two newspapers in Tucson, Arizona, to be in violation of the nation's anti-trust laws and ordered the joint arrangement modified to eliminate those provisions.

The Supreme Court further ruled that the Tucson papers' anti-competitive operations could not be justified under the "Failing Company" doctrine, since one of the papers was not "on the verge of going out of business, nor was there a serious probability" that one would "terminate its business and liquidate its assets" unless it joined with its competitor.

Newspaper publishers involved in joint publishing arrangements in Tucson and 22 other U.S. cities for more than two years have been attempting to persuade the Congress to grant them unregulated, retroactive and perpetual exemption from the anti-trust laws' prohibitions against price-fixing, profit-pooling and market-splitting. (Bills to accomplish this now before Congress are S.1520 and H.R. 279, titled the "Newspaper Preservation Act." Predecessor bills before the 90th Congress were S.1312 and H.R. 7446, known as the "Failing Newspaper Act.")

These publishers also are asking Congress for a special definition of "Failing Company" as it applies to a newspaper: one which, "regardless of its ownership or affiliations, appears unlikely to remain or become a financially sound publication."

These same publishers in more than 30 days of hearings before the anti-trust subcommittees of the Senate and House have failed to demonstrate that price-fixing, profit-pooling and market-splitting are vital to continued publication of more than one newspaper in the 23 cities in which joint publishing arrangements exist.

Jointly operating publishers in more candid days have stated, however, that the greatest economies of joint publishing are had from merged printing and distribution facilities, which, the Courts have pointed out, are not forbidden by the anti-trust laws.

The stated purpose of the proposed anti-trust exemption is to preserve diversity of news coverage and ideological viewpoint, but neither the bills now before Congress nor their predecessors carry any guarantee of such diversity.

Newspaper combinations involving such close community of economic interest as price-fixing and profit-pooling have resulted largely in less diversity of news coverage and muted expressions

of ideological differences, while virtually precluding establishment of newspapers which would provide true diversity and commercial competition.

The 1967 AFL-CIO Convention went on record, during the 90th Congress, "strongly opposing" enactment of S.1312 and its companion bill H.R. 7446, known as the Failing Newspaper Act. Therefore, be it

RESOLVED: The 8th Constitutional Convention of the AFL-CIO opposes enactment of the broad, unnecessary, unregulated and perpetual anti-trust immunity for the business practices of the newspaper industry embodied in the Newspaper Preservation bill, S1520 and H.R.279.

And further, this Convention calls upon affiliates to use all means at their disposal to inform union members everywhere of the nature of this anti-trust exemption and continue to convey to the Congress our opposition to passage of the measure.

Metric System

The metric system of weights and measures, which is commonly used through most of the world, has a long history in the United States. As early as 1790, Thomas Jefferson proposed that this system rather than measurement in inches and pounds, be considered as our national system. In 1866, by congressional action, the metric system was made legal but not mandatory. Although it was not popularly adopted by the public, it gained wide acceptance in scientific and technical fields.

In 1966, Britain announced that existing legislation would be implemented, allowing conversion to the metric system of weights and measures to be completed in ten years. More than 90 percent of the world's people, it is estimated, now use the metric system. Eventually, the U.S. and Canada could be the only two remaining nations that retain the "English" system, which even the English are abandoning.

A little over a year ago, President Johnson signed into law a bill authorizing the study of the possible use of the metric system of weights and measures in the United States. Two AFL-CIO trade unionists represent the labor movement on the Metric Study Commission.

The law requires the Secretary of Commerce to make a complete report on his findings to Congress within three years.

American workers have a high stake in the issue of conversion costs to the metric system. Workers' tools would become obsolete, education and retaining would become necessary; therefore, be it

RESOLVED: 1. That the present government study of possible conversion to the metric system recognize workers' investments in tools which would become obsolete due to conversion.

2. That the extent to which knowledge of the metric system might become an employment prerequisite be examined, in any planning for conversion to the metric system.

3. That workers' educational and retraining measures be determined, as part of any change in the system of weights and measures.

4. That relief measures, necessary to offset costs to individual workers, be made an integral part of any possible conversion to the metric system.

Consumer Protection

Consumer protection has taken enormous strides in recent years. Congress has made several significant breakthroughs in the enactment of consumer legislation. Consumer needs are reflected in a broadening variety of legislative proposals, informational and educational efforts, and cases in the courts. The heretofore customary privacy of business interests in consumer affairs is now subject to vigorous challenge.

The AFL-CIO reiterates its continuing support of the consumer cause, through expanding organized labor's consumer education, information, and counseling programs; through support for consumer cooperatives, through cooperation with national and state consumer associations, and through vigorous pursuit of consumer interest legislation.

The present Congress is in a position to equal the impressive record of recent years, as it faces an unprecedented number of consumer legislation proposals. To assure the effective execution of legislation already on the books, Congress must vigorously exercise its function of legislative oversight, as well as making sure that consumer protection programs are adequately funded and staffed.

Full funding, adequate staffing and enforcement of existing consumer protection measures are essential. Adoption of additional legislation is required to provide consumers with adequate protection. Therefore, be it

RESOLVED: We urge speedy Congressional enactment of strong and effective fish inspection legislation, along the lines of the previously enacted Wholesome Meat and Wholesome Poultry Acts. A key requirement for such legislation is provision for full-

time, continuous inspection activities. Illness and death from contaminated fish and the prevalence of grossly unsanitary conditions in the fish-processing industry must be brought to an end.

Congress should act quickly to remedy shocking inadequacies in consumer protection programs administered by the Food and Drug Administration, by providing needed new legislation, staff and money. An estimated 2 million to 10 million Americans each year become ill from eating contaminated food. Several hundred drugs are discovered, each year, to be mislabeled, contaminated or otherwise defective, after they are already on sale. Drug testing is almost entirely in the hands of the drug industry. Almost 6,000 medical devices—some capable of causing injury and death—are on the market, without government preclearance for safety. Americans spend \$7 billion a year on cosmetics that have little or no federal regulation. And each year 18,000 Americans die and 20 million are injured by hazardous consumer products, including pesticides, flammable fabrics, electrical appliances and other dangerous articles. A large number of the victims are children.

We urge vigorous enforcement and adequate appropriations to carry out previously enacted consumer legislation involving auto safety standards, flammable fabrics, truth-in-packaging truth-in-lending and inspection of meat and poultry. Federal enforcement of auto safety standards is in a virtual state of paralysis. Progress in carrying out the 1967 amendments to the Flammable Fabrics Act has been dishearteningly slow. The National Commission on Consumer Finance, authorized by Congress to make a comprehensive study of consumer credit, has not been appointed. Truth-in-packaging has been hampered by administrative delays and inadequate staff. In view of the continued proliferation of package sizes, Congress should consider a legislative amendment to require price-per-unit labeling of consumer commodities, as well as other labeling and packaging improvements.

Congress should enact new legislation in the field of consumer credit. It should move promptly to enact current bills that would curb the excessive costs of consumer credit insurance, regulate credit reporting agencies, and cure the abuses of unsolicited credit card mailings. Legislation should be enacted to give consumers who buy from door-to-door salesmen a reasonable period in which to cancel the sale.

Additional federal reforms in consumer credit are needed, to redress the imbalance between the rights of creditors and debtors in consumer credit contracts. Present state laws are heavily stacked in favor of creditors. The Uniform Consumer Credit Code, now being considered in state legislatures, proposes a state-by-state overhaul of existing laws. The Code contains a number

The High Cost of Drugs

The hearings on drugs before the Senate Subcommittee on Monopoly, conducted by Senator Gaylord Nelson (D-Wis.), have revealed the extraordinary extent to which the major pharmaceutical manufacturing companies are exploiting the American public.

The major drug manufacturers profit from the fact that, while our medical schools offer theoretical courses in pharmacology to medical students in their second year, no course in the clinical application of pharmacology is given in the great majority of our medical schools. The result is that drug "detail men" or salesmen and promotional literature of the drug manufacturers have usurped the function of physician education. Physicians have virtually no objective and unbiased source of information about drugs and therefore rely heavily on what the drug manufacturers tell them.

Nor is there objective research with regard to the effectiveness of new drugs which apply for licensure and introduction to the market place. The Food and Drug Administration does not, itself, evaluate the effectiveness of new drugs. Rather, the FDA largely reviews the work of the research conducted or sponsored and paid for by the company making the new drug application. Dr. James Goddard, former Commissioner of the FDA, has testified that most of the so-called research activities which support new drug applications amount to little more than testimonials. The regard with which the drug manufacturers, themselves, view the work of many of their physician researchers can be judged from the fact that the manufacturers refer to them as "proof mills" according to Dr. A. Dale Console, former Medical Director for E. R. Squibb and Co.

Overzealous sales promotion has resulted in drugs being prescribed for diseases and conditions for which the prescribed drug is not even effective, for diseases and conditions for which the drug has greater potential for harm than good, and for diseases and conditions for which another drug would be more effective. Several prominent physicians have testified before the Nelson Subcommittee that twice as many drugs are prescribed as is necessary. Nobody really knows how many people die annually from overprescribing and misprescribing, but a study conducted by Johns Hopkins Hospital showed that 4 percent of all patients admitted to the hospital come in because of an adverse drug reaction and 5 out of 714 patients suffering from such adverse drug reaction died.

This year a Task Force on Prescription Drugs of the Department of Health, Education and Welfare issued a report which called for action on a number of fronts including, among other

recommendations, that H.E.W. conduct a continuing survey of drug costs and drug use, that H.E.W. provide financial support to medical schools so that they can include courses in clinical pharmacology, that H.E.W. establish or support a publication to provide up-to-date information on drug therapy as well as continuing education programs on drugs, that adequate financial support be given to the Food and Drug Administration for maintaining quality standards and that legislation be enacted to authorize FDA to establish a clinical and laboratory facility to conduct objective research regarding the effectiveness of different drugs. One of the most important recommendations of the Task Force was that H.E.W. be authorized to publish and distribute a drug compendium to physicians listing all drugs, together with their clinical effects, indications and contraindications for use, together with price information.

In one respect, the Report did not go far enough. Some drugs are effective, but may be less effective than other drugs for the same disease. Therefore, be it

RESOLVED: The AFL-CIO calls upon the Administration to implement the recommendations of the Task Force on Prescription Drugs, and urges that Congress enact legislation granting the Food and Drug Administration the authority not only to evaluate the effectiveness of drugs, but also the authority to evaluate which is the most effective drug for a particular disease.

Civil Rights

Fifteen years ago, the Supreme Court ruled that racial segregation in schools violated the Constitution and called for its ending with all deliberate speed. But compliance with the law came very slowly. After ten years, only 1% of Negro children were going to integrated schools in the South. Today, the figure is still far from satisfactory.

During the Kennedy-Johnson Administration, Congress passed comprehensive civil rights legislation to end discrimination in all aspects of American life—public accommodation, voting, education, employment, housing and in the administration of justice.

Today, we can see the results in substantial progress not only in this fight against discrimination but in bringing minority group citizens into the mainstream of American life.

But despite this progress, there are no grounds for complacency. The increasing crisis proportions of problems in our cities, the abnormally high rates of unemployment among Negro

and other minorities and the remaining pockets of discrimination are festering sores. It would be idle and tragic to ignore them or pretend that they will go away.

Indeed, it cannot be stressed too strongly that the country as a whole, and we in the labor movement in particular, must pay greater attention at every level—national, state and local—to bring about sound, effective and democratic solutions to these problems.

In fact, since the last election, the momentum for sound progress has slowed.

It is no exaggeration to say that the great gains that have been made as a result of the efforts of the civil rights movement, the American labor movement and religious and liberal organizations are in peril today.

The Nixon Administration has failed to provide forthright and unambiguous support or adequate and consistent implementation of the laws.

The United States Civil Rights Commission recently observed that "for the first time since the Supreme Court ordered school desegregation, the Federal Government has requested, in court, a slowdown in the pace of desegregation."

This is no isolated incident. In failing to oppose the Whitten amendment in the House of Representatives and by moving from established, successful regulations to complete reliance on the courts, the Nixon Administration is permitting a major retreat in the struggle to achieve meaningful school desegregation.

Another example is in the area of voting, where the Voting Rights Act of 1965 aided by vigorous implementation by the Department of Justice under President Johnson resulted in 800,000 new Negro registered voters in those states where voting discrimination had been most onerous. But here too, the Administration has failed to press for a simple five-year extension of the Voting Rights Act of 1965 that would insure that the clock not be turned back.

Nixon Administration officials are covering this retreat in civil rights enforcement by trying to make a whipping boy of unions, especially those in the building trades. They have resorted to an unsound double standard in attempting to deal with the legitimate problem of expanding the opportunities for minority group workers in higher paid skilled and technical jobs.

It is part of a calculated strategy of accommodating conservative elements in the South while, at the same time, trying to divide minorities, labor and liberals who have been the backbone of the effort to achieve progress in the civil rights area.

The unity of these forces for equality are vitally necessary today to maintain the gains that have been made and to start a new march forward toward the goal of an integrated society with equal opportunity and equal justice for all.

The AFL-CIO is proud of its record in the struggle for civil rights and we have particularly sought to end discrimination in employment. The AFL-CIO played a major role in getting a Fair Employment Practice section into the Civil Rights Act of 1964 which covered unions as well as employers. It has worked with its affiliates to attain compliance with the law. Today, it strongly supports efforts to strengthen the Equal Employment Opportunity Commission by giving it cease-and-desist powers needed to make it more effective. The Administration is opposed, seeking enforcement in the federal district courts. Here as in the school desegregation situation, the Administration moves in a direction that the civil rights movement can only view as dilatory and ineffective.

Nor has the AFL-CIO limited its efforts to the legislative front. It has taken the initiative to work with affiliates in developing affirmative action programs on a sound basis that would bring significant results, whether required by law or not.

Specifically in the construction industry, the AFL-CIO has worked with the Building Trades Department, international unions, local building trades councils and groups like the Workers Defense League—A. Philip Randolph Education Fund Committee, the Urban League's LEAP Program and other community groups. The results obtained speak for themselves.

By July of 1969, 4,248 minority group apprentices were placed by Outreach Programs. Of these, 3,958 were in building and construction trades apprenticeship programs. The bulk of these were not in the so-called "trowel trades". Electricians, carpenters, iron workers, plumbers, steamfitters and sheet metal workers accounted for 2,293 of these apprentices.

Minority group apprentices in the construction industry have moved from less than 2.5% in 1960 to 7.2% in 1968. The majority of regular apprentices in federally serviced programs are in the construction industry. The percentage of minority apprentices is higher than in metal manufacturing, non-metal manufacturing and public utilities and transportation.

At its last Convention, the AFL-CIO endorsed the Outreach Programs that then existed in sixteen states and recommended that these programs be emulated in other states. Today, Outreach Programs for recruiting, motivating and preparing youngsters for building trades apprenticeship programs have been founded by the U.S. Department of Labor in fifty-five cities after agreement by local building trades councils for full cooperation.

This is an excellent example of a sound policy being designed and implemented with effective results.

The AFL-CIO is encouraged by the policy statement of the Executive Council of the Building and Construction Trades Department, which was passed unanimously at its recent 1969 Convention. This statement reaffirms the Building Trades policy of non-discrimination and calls for the acceleration and extension of apprenticeship Outreach Programs which have proved successful in actual operation. Moreover, it does not limit itself to these successful programs.

It also outlined a program for increasing minority group participation outside of the apprenticeship route, saying:

"We make flat and unqualified recommendation to local unions throughout the United States that for a stated period of time they should invite the application of qualified minority journeymen for membership in their respective local unions and should accept all such qualified minority journeymen provided they meet the ordinary and equally administered requirements for membership."

It also recommends for study by local unions the establishment of training programs for minority workers who are not either qualified journeymen or eligible for apprenticeship. The statement says:

"We also recommend that the local unions and the local councils explore and vigorously pursue training programs for the upgrading of minority workers who are not of apprenticeship age. Such programs should be developed in such manner as to prevent under-cutting the established apprenticeship programs. The recommendations which have been previously made on model cities should furnish an appropriate guideline for development of these journeymen training programs."

The implementation of this excellent statement is a sound basis for bringing increased participation by minority group workers in skilled jobs in the construction industry, especially in those locals which now have low participation rates. The use of quotas is a bad substitute for sound, effective programs. It is not only of questionable legality under the Civil Rights Act, but it does not even insure permanent skilled jobs for minority workers.

The Administration's so-called "Philadelphia Plan" sets up unsound procedures used in no other industry, segment of the labor market or in government itself. The excuse for this is the low percentage of Negroes and other minorities in the construction industry. In most cases, the figures that have been used for justification have been erroneous. For example, in Philadelphia, government officials implied that less than 2% of building trades membership were minority group workers. The facts are that

over 80% of Philadelphia Building Trades members are Negro, and excluding Laborers, 12% of all journeymen are Negro.

Government figures on white collar occupations and in industries, such as textile, banking and newspaper, show far less over-all minority group participation than in construction and no higher percentages in skilled categories. In these industries, employers unilaterally do the hiring. Union's have little if any, say. There is no excuse for the Administration to play a "numbers game" as they did in the Philadelphia Plan publicity. Falsely portraying the facts won't help minorities get jobs or end discrimination.

The AFL-CIO urges that vigorous efforts be made to expand opportunities for minority group youth and workers in the better-paid and more skilled jobs throughout our economy, including the building and construction trades industry. But we urge that it be done on a sound, fair effective continuing basis and we are opposed to making a political football out of an issue as important as the issue of ending discrimination in employment—everywhere, in all kinds of employment, for all time.

Discrimination and deprivation are problems not only of the American Negro, but of other minority groups. Americans of Mexican descent are the second largest minority. Puerto Rican, Indians, Japanese, Chinese, Eskimos and Aleuts today face problems of discrimination.

Some of the Spanish-speaking minorities have a disproportionate number of people unemployed, under-educated, and below the poverty line in income.

The AFL-CIO especially and its state federations in those areas where these minorities are concentrated must pay increasing attention to their special problems. We are proud of our efforts and those of our affiliated unions in helping the farm workers, under the leadership of Cesar Chavez, to bring dignity and an end to exploitation to this segment of the working poor. The AFL-CIO is also proud of the increased participation by minority group workers in the trade union movement and of the contributions that they are making.

The AFL-CIO reiterates its dedication to the principal established in its Constitution—when the merged federation was founded—equality and equal benefits of union membership for all workers regardless of race, creed, national origin or sex. We urge that all international unions, state federations and central bodies insure that their civil rights committees be active and work with the Civil Rights Department of the AFL-CIO toward the end of eliminating any vestige of discrimination that may remain in labor's house.

EDUCATION

We must—and we will—continue our fight for full civil rights.

We will continue to measure progress and not seek to hide it. We will continue to delineate shortcomings and move to eradicate them. We will continue the unity of labor, liberal and civil rights forces.

We stand firm in the conviction that has brought us this far—our belief in the dignity of a man, the worth of an individual, the classlessness of citizenship.

The answer is the keystone of the trade union movement—brotherhood.

Education

The years of the Kennedy and Johnson administration brought about major changes in American education. After a century of debate and deadlocks over the issue of federal aid to education a series of Congressional acts at last made the federal government a full partner in the financing of education at every level, ranging from early childhood education through elementary and secondary education, on through to higher education and adult education. The AFL-CIO has played a major role in winning the passage of all of these laws which have improved the educational opportunities for all Americans, wherever they may live, whatever their income, race or creed.

Federal support for education has had a significant effect. The acute teacher shortage of a few years ago has all but disappeared, and teacher salaries, although still below the earnings of many professionals, have improved in many areas. Educational innovation is flourishing as never before and throughout the nation dramatic new methods are being used to reach disadvantaged children who have been largely neglected by the schools of the past. It would have been disastrous had such progress not taken place.

Impressive as the progress has been, American education is still in a state of growing crisis. Present levels of federal support are still not commensurate with the demands of the situation. Virtually every city in America faces a financial crisis; the costly problems of the inner-city have multiplied and the tax resources have been drained away. State and local support for education is derived mainly from the sales tax and the property tax, neither of which is well designed to reach the most lucrative sources of school revenue which may exist even in the wealthiest of states. Substantially increased federal contributions to the costs of education are essential if the gains which we have won are not to be lost again.

The early months of the Nixon administration give rise to serious concern about the immediate future of the federal government's role in the field of education. At the time the AFL-CIO meets in Convention in October, 1969, President Nixon has yet to issue his first presidential message on the subject of education. Rather than setting a clear direction for national educational policy, the administration appears to be drifting aimlessly and

the drift has been largely in the wrong direction. At the very time when educational needs are greater than ever, the administration has pressed for reduced federal expenditures in the field of education. At the time when the very future of integrated education hangs in the balance, the administration has taken an uncertain course, alternating between acceleration and deceleration of school integration. For American education, the times grow more serious every day, and there have been few signs to indicate that the Nixon Administration is prepared to meet the challenge.

There must, at the very least, be full funding of existing programs of federal support for education, including the Elementary and Secondary Education Act, the Vocational Education Act, the Higher Education Act, and the Library Services and Construction Act. Present legislation authorizes expenditures approximately double what has been appropriated. Moreover, the authorizations for most of these programs need to be increased to meet the magnitude of the problems. Already some school districts have run out of money and had to close down their schools, and many cities are faced with the same danger.

There is no doubt that America can provide vast additional sums for education if our potential growth in gross national product is developed, and utilized for educational purposes.

In apportioning such funds to local educational agencies the underlying principal should be that of educational need. The educational need of a community is determined by its per capita wealth and income on the one hand and its social deficits—a number of poverty families, transiency of pupils, school overcrowding, court cases involving children, school drop-out rates—on the other. The present formula for distribution of Title I funds accomplished this objective in part. But it needs to be greatly strengthened by taking factors other than poverty into account.

Nearly as serious as penny-pinching appropriations is the problem of delay in appropriating funds. Appropriations for various elementary and secondary school programs, for example, have frequently not been passed by Congress until after the beginning of the school year, a fact which paralyzes schools in their ability to plan intelligently how they will use the funds. The AFL-CIO and most major organizations in the field of education have supported forward funding for educational programs, that is: appropriating money a year ahead of the school year in which the money would be used.

Not all of the problems of the schools can be solved at the federal level. The AFL-CIO urges local unions and local and state central bodies to develop programs to strengthen education at the state and local level. New school construction, collective bargaining for teachers and free text books remain unfilled goals in many school systems.

Most large school systems have developed a lumbering bureaucratic structure which makes them slow to respond to the needs of their students, faculty and communities. School administrators need to be modernized. Many cities, in an effort to make their schools more responsive, are moving in the direction of decentralizing their school system with various degrees of community decision making of the decentralized sub-systems. Such innovations can do much to break through bureaucratic dead weight and to create a system of education which can be flexible and responsive to needs. Unions must be watchful, however, that decentralization plans which may be developed in their communities do not become disguised vehicles for re-segregation of the schools. Unions must also be on guard that community decision making becomes a vehicle for involvement of the total community in the educational decision-making process, and not simply a vehicle by which a few noisy people can dominate the schools. Needless to say, decentralization of schools must not be used to undermine existing collective bargaining agreements.

Vocational education has long been a special concern of organized labor. Too often in the past, vocational education has been regarded as a dumping ground for students whose school years have been marked by academic failure. Schools must prepare all students for the realities of the world of work. Such preparation can best be achieved through comprehensive organization of schools which bring together general education and vocational education, beginning even in the elementary school years and continuing on through the junior college level. Such a unified approach, by giving all students at least some experience in skill training and by giving all students a solid foundation in English, mathematics, sciences and social studies, can do much to restore the dignity of labor, a concept which has often been lost in the schools of the past.

For all students, an important part of learning about the realities of the world of work is to develop an understanding of the institutions which exist in that world, among the most important of which are unions. A number of carefully documented studies have demonstrated the general need for fuller and more accurate treatment of organized labor in the textbooks which are used in history and social studies courses. On the positive side, some school systems are beginning to include comprehensive units on organized labor in their curriculums, and we urge the further growth of this trend.

Not only in vocational education, but in many other aspects of the school programs there is an important role for advisory committees with strong labor participation. Such committees can contribute significantly to the development of schools which can realistically prepare young people for life in the real world of work.

It has long been the position of the AFL-CIO that free public education should no longer be limited to twelve years of school. For the very young, especially those who have been economically deprived, pre-kindergarten classes have proved to be of great benefit in improving further educational achievement. Beyond high school, free education should be available to all young people at least through the fourteenth school year, and a combination of federal scholarships, low tuition or free tuition, and work-study opportunities are needed to insure that every young person has an opportunity to obtain higher education. Existing federal programs of loans to students have been helpful, but they are clearly not a sufficient answer to the mounting costs of higher education.

The population explosion which began in the period following World War II has now reached the college campuses and it has been accompanied by an unprecedented wave of student unrest. The right to dissent and to protest are essential to the American democratic process, and in most cases, student unrest has had its roots in legitimate and long standing grievances. Universities must develop meaningful methods of student participation to thwart the irresponsible few who seek to exploit legitimate grievances for their own destructive purposes. Various laws have been proposed in Congress to deal with student unrest, and all of them are dangerous. Some proposed legislation would withhold federal aid from colleges and universities which have been marked by student disorder. This would have the effect of penalizing the many for the misdeeds of the few. Other proposals would withhold student aid from students participating in campus disorders. This would amount to class legislation, penalizing low-income students who depend upon federal aid, but doing nothing in regard to students who were affluent enough to pay their own way. The disciplining of students who go beyond the reasonable limits of dissent is a matter best handled by the universities, and where appropriate, by the civil authorities. It is not appropriate for the Federal government to inject itself into matters of student discipline.

There is need for expanded services in the field of adult education. Programs in adult basic education have achieved impressive results, but available funds have not permitted expansion of these programs to the levels which are needed. Federal support for workers' education has been too long delayed; training workers for effective leadership in their unions deserves a place alongside other federally financed adult training programs. Increased longevity has resulted in an unprecedented proportion of senior citizens in our population, special programs should be developed to make their years of retirement meaningful. There is a need among older adults who often have failing eyesight for more books and other publications printed in large type editions.

To provide the range of programs needed if Americans, both young and old, are to have within their reach the quality education which they need, it will require money which is not now being invested in education. This money must in the largest part come from the Federal government which alone has the taxing power to meet the needs. Therefore, be it

RESOLVED: That the AFL-CIO support a program of full federal partnership in the financing of education from pre-kindergarten to adult education. Be it further

RESOLVED: That the AFL-CIO support the significant increase of present levels of federal expenditure in order to make possible a massive national effort to provide quality education for all Americans—children, youths, and adults—wherever they may live, whatever their race or national background, whatever their family income. Such additional Federal funds should be distributed to local educational authorities on the basis of educational need. Only through such efforts can we realize our goals and objectives to provide the equal opportunity for all Americans to acquire the necessary tools for a better life.

International Education Year (IEY) — 1970

WHEREAS, At the initiative of the U. S. government, the United Nations General Assembly and the United Nations Educational, Scientific and Cultural Organization (UNESCO), in 1968, resolved to designate 1970 as International Education Year, and

WHEREAS, The objectives of this program include the assessment by each nation of its educational needs; the improvement of education in major specified aspects; the democratization of education; improved pre-service and in-service training of teachers; the furtherance of international understanding and peace; and other worthy goals, and

WHEREAS, The low status of education throughout the world necessitates a dramatic and full understanding of the facts and concepts involved, and

WHEREAS, The U. S. National Commission for UNESCO has endorsed the full cooperation of our country in this project, and

WHEREAS, UNESCO has called upon each nation to engage in appropriate worthwhile activities to achieve the aforementioned objectives, therefore be it

RESOLVED: That the AFL-CIO wholeheartedly endorse the concept, the objectives, and the suggested activities of the International Education Year, and be it further

RESOLVED: That we call upon the President of the United States and the U. S. Office of Education to take appropriate steps to plan and prepare for IEY activities, and be it further

RESOLVED: That the AFL-CIO work closely in cooperation with the AFT in connection with this program.

GOVERNMENT EMPLOYEES PROGRAMS

Federal Workers

WHEREAS, The American Federation of Labor and Congress of Industrial Organizations has always played a vital and indispensable role in helping its affiliated organizations of federal workers achieve their legitimate economic and social goals.

WHEREAS, The federal government should be an ideal employer of human beings, and that it should set an example for the nation by providing wages and working conditions at least equal to those prevailing in the private sector for workers of similar skills, training and education, and

WHEREAS, The federal government has lagged far behind private industry in the areas of wages and working conditions, and that the resulting gap can be filled only by progressive and constructive legislative and administrative actions.

In view of the foregoing; therefore, be it

RESOLVED: That the Eighth Constitutional Convention of the American Federation of Labor and Congress of Industrial Organizations assembled in Atlantic City, New Jersey, commencing October 2, 1969, does hereby adopt the following program of legislation and administrative relief for government employees:

Union-Management Relations in the Federal Government

The most dramatic event in this field in more than a century was the introduction of the principle of collective bargaining as a matter of federal government policy under Executive Order 10988 of January 17, 1962. Despite this proclamation, for more than seven years, unions of federal workers have encountered stubborn resistance on the part of numerous management officials to the unions' legitimate attempts to make the order fully operational.

Based on the experience of seven years, it is imperative that we seek enactment of union-management relations legislation as a matter of highest priority. Such legislation should, among other changes, provide binding arbitration of negotiation impasses and grievances, designation of a board to impartially administer the program, enlargement of the scope of bargaining, and clarification of "management rights." Negotiated agreements, not in conflict with law, should supersede agency regulations. Arbitrary exclusion of groups of employees should be discontinued. In short,

it should confer rights similar to those available in private industry. All those employees in the Federal Government including non-appropriated fund activities, the Government Printing Office, and similar functions should be afforded these rights also.

Legislation to attain these objectives has been developed through the cooperation of the AFL-CIO and unions representing federal workers. We endorse these revisions, as contained in S. 2460 and H.R. 12349, and urge their early enactment.

Pay

(a) In 1962, Congress enacted a salary "comparability" law designed to provide pay adjustments for federal classified, postal, and other employees whose rates are fixed by statutes, with compensation consistent with salary movements in private industry. This policy was confirmed by Congress in 1967.

The system has not worked. Pay adjustments for these employees in July, 1969, reveal that almost one-half of the 2 million workers covered are receiving rates substantially below "comparability" and were related to salaries prevailing in the private sector a year earlier.

This situation has resulted in serious injustices to the employees involved, and has impeded the Government's efforts to obtain a highly competent federal work force.

Efforts of our unions with the executive branch to make the annual "comparability" survey reflect actual conditions in the federal government and private firms have proved unavailing.

It is essential that Congress enact salary reform legislation making it clear that it expects the "comparability" principle to be followed. The statute should include union representation in determining survey rules and reviewing Bureau of Labor Statistics findings, creation of an arbitration board, including union representation, to resolve controversies, with Congress as the final authority. The legislation should provide "comparability" on a current basis, rather than rates paid by private companies the previous year.

(b) Legislation for premium compensation at time and one-half for work in excess of 8 hours per day and on Saturday, double time for Sundays and holidays, and two and one-half times the regular rate of pay for work on Christmas Day, for all federal employees. A basic workweek extending from Monday through Friday should be established for all workers. Night differential should be fixed at 20% of base pay. In computing a particular type of premium compensation, all other kinds of applicable additional pay should be included.

(c) Legislation fixing a 35-hour workweek for government employees without reduction in pay.

(d) Legislation to pay employees in 3rd class post offices at the same rate as employees in 1st and 2nd class post offices for substantially similar work.

(e) Legislation authorizing additional pay for postal workers required to study postal schemes for distribution of mail outside normal working hours.

Postal Corporation

The Post Office Department of the United States provides a basic means of communication in our Nation. It touches the lives of almost every citizen in this country, and governments, people, and business enterprises abroad.

Conversion of the department to a public corporation would deprive citizens of the United States of an effective voice in the operation of this vital service through their elected representatives in Congress.

Despite the arguments of corporation proponents that unions of postal workers would be free to bargain collectively on pay and working conditions of their employment, the absence of complete bargaining rights enjoyed by workers in private industry would severely limit the ability of unions of postal employees to effectively represent their members.

The opportunity for postal unions to utilize arbitration of negotiation disputes only with the concurrence of postal management would make the arbitration process totally ineffective, particularly if employees are denied the right to withhold their services.

Needed reforms and modernization of the postal system can be achieved within the framework of the existing departmental structure.

We endorse the action of the AFL-CIO Executive Council and the testimony of President Meany to the House Committee on Post Office and Civil Service, July 30, 1969, strongly opposing transformation of the Post Office Department to a corporation.

Retirement

(a) Legislation permitting federal and postal employees to retire at their option after 30 years of service, regardless of age, with full benefits.

(b) Legislation to remove the current deficiency in the Civil Service Retirement Fund through additional contributions by the federal government as a means of correcting the failure of the government to meet its past and future financial obligations. The contribution rates of employees must continue to be fixed by Con-

gress, rather than authorizing the Civil Service Commission to make such determinations. One method of remedying the imbalance would require the federal government to augment the fund by 2 percent of payroll for each additional 1 percent required of the employees.

(c) Oppose merger of Social Security and Civil Service retirement systems. However, employees should have the right to participate under an optional program of coverage under the Social Security Benefits Act in addition to the Civil Service Retirement Act.

(d) Increase from 55 to 60 percent the surviving beneficiary's share of the employee's pension. Eliminate the reduction in an employee's annuity when he elects benefits for his survivor.

(e) Retirement deductions on all earnings, including overtime, night differential, special allowances and other premium pay, for groups of employees who work under these conditions throughout their careers.

(f) Increase the general formula for computing annuities to 2 percent. In the case of hazardous occupations, the formula should be adjusted to 2½ percent, with extension of hazardous retirement to additional jobs.

(g) The salary base for determining annuities should be revised from the highest 5 to the highest 3-year average.

(h) For spouses who elect an annuity for survivors, the annuitant's full pension should be restored upon the death of the survivor annuitant. A Civil Service pensioner who remarries should be able to designate the new spouse for a survivor annuity.

(i) The minimum annuity available to employees retiring for disability should be increased substantially.

(j) The Department of Defense should contribute to the Retirement Fund amounts covering military service of those who become civilian federal employees.

(k) Legislation permitting federal employees to receive credit for all sick leave unused at the time of retirement, death or separation.

(l) Retirement credit for employees during periods of entitlement to compensation for injury.

Promotions

Legislation directing the development of promotion policies and impartial promotion procedures with recognition of seniority, merit and "promotion from within" as the guiding principles.

Leave

(a) Legislation permitting receipt of a lump-sum payment for annual leave in excess of statutory ceilings accumulated during the year by an employee who retires or resigns.

(b) Legislation repealing the bar against employees using annual leave during the first 90 days of employment.

(c) Employees prevented from using annual leave because of conditions beyond their control—such as refusal of supervisors to grant leave, administrative error, sickness—should have these days added to their normal accumulation.

(d) Federal employees, who are elected or selected as full time union representatives, should be granted leave of absence with protection of job security, seniority, leave, and other benefits, which they would have received had they remained in Federal Service.

Political Activities

The Hatch Act must be given a complete re-appraisal. To preserve the impartiality of the federal government's service to the citizens of the United States, appointment, promotion, and retention of federal workers must be free from political considerations. At the same time, federal employees must be assured maximum freedom to exercise their political rights and responsibilities as citizens.

Constitutional Rights

Continuing investigations by Congress have revealed serious invasions of the privacy and other Constitutional rights of federal employees. Congress should complete action on legislation to eliminate further transgressions.

Classification

A thorough review of the salary classification acts applicable to all government workers is a necessity, with development of standards and other classification processes through agreement between labor and management. Special attention should be directed to groups of employees now experiencing serious grade misalignments.

Automation

(a) Automation is one of the most important challenges facing our nation. While the organizations of federal employees do not oppose automation *per se*, they insist that its benefits be employed in making the lot of the individual worker better, and his

work-load lighter, not heavier. Legislation should be enacted which will prohibit management from downgrading senior employees who find it impossible to adjust their work habits to the new demands imposed by automation.

(b) Adequate training and placement programs are needed to prepare individuals for automated jobs and any resulting promotion opportunities.

(c) Oppose "speed-up" programs in the Post Office Department and throughout government service. Work Performance Schedules, Basic Motion and Time Studies and similar systems. Oppose the Government Printing Office practice requiring certain employees to meet time standards in setting type.

Compensation for Injury

Support improvements in the Federal Employees' Compensation Act to increase monthly benefits and lump-sum awards to injured workers. Relating compensation increases for permanently disabled workers to wage and salary adjustments for active employees in similar occupational groups. Continuation of injured employees in active pay status pending commencement of their compensation payments.

Health and Welfare

Legislation for the federal government to defray the entire cost of health benefits and life insurance programs for active and retired employees, with no reduction in benefits upon retirement.

Safety

In promoting protection of federal workers from loss of life and injury, the federal government should maintain a model safety program. Introduction and maintenance of safe working conditions results in significant monetary savings to management, and shields the worker and his family from salary loss. The federal government should undertake an aggressive safety program providing full union participation at all levels.

Legislation should be enacted designating one agency to develop and enforce safety standards throughout the Federal Service. It should recognize the right of unions to contribute to these objectives.

The policy should include provisions of safety equipment at government expense where employees are required to use such equipment.

We urge maximum union participation in this effort.

Use of Military Personnel

Assignment of military personnel to work which can be performed by federal civilian employees continues as a pressing problem. Evidence produced by Congressional sources proves this practice wasteful, and that millions of dollars can be conserved by having civilian employees accomplish such tasks. Services and skills of military personnel can best be utilized in functions directly related to military matters, particularly in periods of international hostility, such as the present. We oppose continuation of these incidents.

Postal Service

(a) Endorse restoration of curtailed postal service and improvement in postal operations to provide the most efficient service possible to the American people.

(b) In the interest of efficiency and economy, inter and intra city transportation of mail by trucks should be accomplished by postal employees and equipment.

(c) Since the American taxpayer is entitled to the best possible postal service, we oppose curtailment or reduction in the Special Delivery Service.

Fire Service

(a) Oppose consolidation of the positions of firefighter and protective and law enforcement service and departure from the traditional pay equality between these protective services.

(b) Urge federal and other public administrators to raise fire protection and safety standards with formation of fire inspection bureaus in communities as a means of achieving this objective.

(c) Appropriation of adequate funds to implement the provisions of the Fire Research and Safety Act of 1968, including establishment of a National Commission on fire prevention and control.

(d) Reduction in the present 72-hour workweek affecting a large majority of federal firefighters is essential to meet practices prevailing in large, progressive municipalities. The shorter workweek should be accomplished without impairing the total annual pay of these employees.

(e) Legislation protecting firefighters at all political levels from illegal interference while engaged in the lawful performance of their duties during riots and civil disturbances.

Insistence on Civil Service Procedures

Oppose authority of agency heads to separate employees without recourse to established Civil Service procedures and appeal rights. Oppose any effort to remove federal jobs from Civil Service coverage.

Uniform Allowances

Increase and extend the uniform allowances to all employees in occupations now covered and to additional occupations as needed, including all maintenance and mechanical employees of the Post Office Department. Increase the allowances to defray costs of uniform maintenance and provide such allowance where none is provided.

Reimbursement for Travel Expense

Increase the maximum per diem allowance to \$35, with commensurate increases for postal workers in mobile units.

Payment for Travel Time

Employees required to travel on official business outside the normal working hours should receive additional compensation at regular overtime rates.

Non-appropriated Fund Operations

Employees in non-appropriated fund activities should be accorded Civil Service status with all benefits accruing to career federal workers, including equitable pay.

Wage System Revision

Replace the Federal Coordinated Wage System with an impartially led wage board pay determination system with equal union and management representation with an impartial tie-breaking mechanism at all levels so that the hourly rates of these employees may be made consistent with the prevailing wages paid in private industry and keeps them there through surveys conducted at those intervals and under those conditions necessary to maintain truly comparable structures of pay.

Collective Bargaining Rights for State and Local Government Employees

Public employees at the state and local government level seek to participate, through true collective bargaining, in the de-

termination of their wages and working conditions. Without collective bargaining, these workers have no effective voice in the setting of the conditions under which they work.

While public policy has long assured employees in private industry of their right to bargain collectively, this same right is still denied many millions of employees of state and local government. Not only do they lack the assurance of an effective right to bargain—they often lack even the basic rudimentary machinery for the recognition of bona fide unions as bargaining agents for public employees.

As a result of the denial of bargaining rights, employees of state and local government suffer a widening disparity between their level of pay and fringe benefits and that enjoyed by organized workers in the private sector. In many areas, a wide gap has developed between wages for comparable work in the public and private sectors.

Only a few states have passed adequate laws granting unionization and collective bargaining rights to state and local government employees. As an aid to public employee collective bargaining, some of these laws have incorporated such special techniques as in-depth mediation and conciliation, fact-finding, and arbitration when mutually agreed upon by the parties.

A number of states have on the contrary passed repressive legislation prohibiting or severely limiting employees of state and local government from engaging in collective bargaining, and some actually impose severe penalties upon public employees engaging in concerted activity in support of legitimate goals. This type of repressive legislation has basically failed. It has not served as a deterrent to strikes by public employees, but rather has led to strikes and made them more difficult to resolve. In addition to restrictive legislation, the frequent use of court injunctions against worker concerted activity is destructive of the legitimate representation efforts of employees. Therefore be it

RESOLVED: That the AFL-CIO and each of its constituent organizations shall seek legislation at the federal, state and local levels:

1. Repealing repressive laws inhibiting the rights of state and local government employees to organize and bargain collectively;

2. Assuring employees of state and local government of procedures, similar to that existing in private industry, for the recognition of unions as exclusive bargaining agents and for the processing of unfair labor practice charges; and

3. Guaranteeing true collective bargaining rights for state and local government employees, enabling them to negotiate ef-

fectively concerning wages, hours, and all conditions of employment, including union security.

Implementation of Fire Research and Safety Act of 1968

WHEREAS, The Congress of the United States has enacted Public Law 90-259, the Fire Research and Safety Act of 1968 which provides for a National Commission on Fire Prevention and Control, and

WHEREAS, The Congress has made no appropriation of funds to implement this law, and

WHEREAS, The United States is now the only major country in the world without a national commission on fire safety, and

WHEREAS, It is in the vital interest of the people of this country that this nation carry on an extensive program of fire research and safety as well as educational and training programs fire safety principles in building construction and improved programs of fire prevention; therefore, be it

RESOLVED: That the AFL-CIO actively support legislation in the Congress of the United States to implement the Fire Research and Safety Act of 1968, by the appropriation of suitable funds which would include the funds necessary for the establishment of a National Commission on Fire Prevention and Control

Extension of Title VII Coverage to State, County and Municipal Employes

WHEREAS, State, county and municipal employes have been found by public unions and by the U.S. Civil Rights Commission in a comprehensive study to engage in flagrant discriminatory practices against minority-group individuals, and

WHEREAS, The U.S. Civil Rights Commission has reported furthermore, that these jurisdictions have shown so little interest in correcting this disgraceful situation that most "have failed to establish even rudimentary procedures to determine whether minority group members are assured equal employment opportunity," therefore, be it

RESOLVED: That the AFL-CIO and each of its constituent bodies work toward coverage of state, county and municipal employes by Title VII of the Civil Rights Act of 1964, as provided by S 2453, proposed by Senator Harrison Williams and others.

Public Career Training

WHEREAS, The concepts incorporated in the proposed program for Public Service Careers constitutes an important step forward in the anti-poverty program, and

WHEREAS, These proposals include some valuable objectives such as career ladders, restructure of civil service jobs, priorities for upgrading and full pay for work study programs, and

WHEREAS, These proposals also include other provisions which weaken and limit the effect of the objectives of Public Service Career Programs; therefore, be it

RESOLVED: That we urge a re-draft of the present Public Service Career proposal to include:

1. Removal of the limitation of sponsorship eligibility to government agencies, which would prevent a representative union from developing or continuing a manpower training program.
2. Approval of the collective bargaining agency to the training program and a provision for adherence to the terms and conditions of employment of the collective bargaining contract;
3. Revision of the upgrading provisions, which now are coupled in all cases with training for three entry level personnel in proportion of each upgrading;
4. Revision of the employes eligible for upgrading, which now threatens the principle of seniority because eligible employes are those classified as "near poverty";
5. Provisions for the opportunity to acquire necessary academic skills in the upgrading program;
6. A guarantee that every employe who successfully completes upgrading training will be upgraded.